

South Metro Fire Rescue Fire Protection District
Special Board of Directors' Meeting Minutes
June 20, 2022

Present:

Jim Albee, Chair
Renee Anderson, Vice Chair
William Shriver, Treasurer
Sue Roche, Secretary
Cindy Hathaway
Kevin Leung
Rich Sokol

Bob Baker, Fire Chief
Mike Dell'Orfano, Assistant Chief
Tobias Kirschke, Assistant Chief
Kevin Milan, Assistant Chief (absent)
Jon Adams, Assistant Chief (absent)
Kristin Eckman, Chief Communications Officer
Camie Chapman, Human Resources Director
Dillon Miskimins, Chief Financial Officer
Bob Cole, Legal Counsel (absent)

Others Present: Kathy Young of Carlson/Young & SMFR Staff

MEETING CALLED TO ORDER

Chair Albee called the special meeting of the South Metro Fire Rescue Fire Protection District to order at 6:10 p.m. & welcomed everyone to the meeting.

PLEDGE OF ALLEGIANCE

Chair Albee led the Pledge of Allegiance to the United States of America.

ROLL CALL

All of the Board Members were present in person.

PUBLIC COMMENT

N/A

PRESENTATION

Kathy Young from Carlson/Young provided an Emergenetics overview for the Board Members and Executive Staff, which included Board Member participation and sharing of their profiles with the other members.

A break was taken at 7:20 p.m.

The meeting reconvened at 7:33 p.m.

ACTION ITEMS

2023 Portable Radio Replacement Proposal – Emergency Communications Center Director March reported that, as directed, Staff reevaluated the number of portable radios needing to be replaced. 48 radios were removed from the list, bringing the total replacement to 402 radios for a total of \$3.2 million, which includes nearly \$700,000 in discounts and purchase incentives.

The District has applied for a grant through FEMA, that if awarded would cover \$1.7 million of the total cost. Grant award decisions should be announced in September.

A radio inventory and assignment list were included in the Board packet. Approving this purchase will allow staff to finalize the process of procuring the portable radios so that they may be received and put in service in early 2023. The current pricing is based off the manufacturer receiving a purchase order by the end of the month.

At Director Anderson's request, CCD Director March confirmed that Staff worked with the vendor to obtain the best pricing & that the surrounding agencies use the same radio product and the dual band radio with this style of radio will enhance communication with other agencies.

At Director Shriver's request, CFO Miskimins stated that the FEMA grant request remains at \$1.7 million and Staff should know in September whether or not the grant funds were awarded. If the grant is not awarded, it would use up some of the funds in the capital projects fund but would not bump any projects.

At Director Anderson's request, CCD Director March reported that the new radios will have a 5-7 year life and roughly a 10% cache was built in to ensure there is a sufficient supply to cover additional seats created by a new station, supply chain issues and major incidents.

At Director Leung's request, CFO Miskimins stated that Staff has not had a chance to pursue ARPA Funds since the last meeting where it was discussed.

At Director Sokol's request, CCD Director March stated that although it may seem like a lot, as explained earlier the cache will be used for new station personnel, use when other radios go in for repair, replacement part shortages and the 10% came from discussions with area agencies and that appears to be the norm.

Chief Baker expressed a note of appreciation to the Board for asking for a breakdown of radio assignments. Staff did a level of due diligence checking with the area users but thinks we missed looking at it from a wholistic perspective and that not all radios would be used at the same exact time. The ETeam and CCD Director March agreed that we needed to get into the details and connect some more of the dots when making this large of a purchase. After a deeper dive and due diligence, the number of radios requested to be purchased reduced the total cost by \$0.5 million.

At Director Anderson's request, CCD Director March stated that there is software for radio management, so every radio gets an ID through the State and it is put into the system which can track how often it is used, where it is and, if lost, potentially located it on the CAD map.

At Director Leung's request, CCD Director March reported that the current cache is larger than 10% mostly due to the merging of agencies. The number of radios requested was based on how many we had and after a deeper dive, came up with the final number needed so we are not running too heavy or too thin.

At Director Sokol's request, CCD Director March stated that on the low end 3-4/month and on the high end 6-7/month is how many radios are out of service on average. Adding that the biggest issue is supply chain delays to get replacement parts. Chief Baker reiterated that there is a lag time in getting the radios in to be serviced and getting parts. A 6-7 per month with 3-4 months out of service, that is how Staff landed at the 10%. Director Sokol stated that he still thinks the number is too high.

At Director Leung's request, CCD Director March stated that estimated growth is a part of the reasoning for the 10%. Chief Baker added that with the planned addition of 4-person staffing at three stations over the next three years, over three shifts, that is 27 radios. Another piece of the equation is that there are a lot of things that could happen and too many variables in an organization this large it is impossible to anticipate all of them.

Chair Albee stated that he is on the same page as Director Sokol, understanding the 10% and circumstances causing the radios to be out of service, but it seems like there are batches of radios that are very infrequently used. This feels like we are going to buy \$3 million and Staff would find a way to make it work. Seems like there should be some cushion but

doesn't know what that number should be. CCD Director March explained that the IDT radio usage is low but if they are used to backfill radios that are out of service, there are no radios in the event of a major incident. Also, there are occasions when we are upstaffed, like for the 4th of July and red flag days. Director Anderson commented that if we don't have enough radios, we want to be able to respond quickly and not delay the response by chasing down radios. Director Leung stated that in a normal world, we might want to adjust this number but it seems that Staff has done their due diligence and this would be a good baseline to look at in five years to see whether or not we should revise the numbers. Director Shriver stated that he is happy that Staff went back and took a look at it from the bottom up and he is okay with a buffer and okay with the \$3.2 million. Director Hathaway agreed that due diligence was done with the counties. Director Sokol stated that he is still uncomfortable with the numbers.

A motion was made by Kevin Leung and seconded by Sue Roche to approve the purchase of 402 portable radios for an amount not to exceed \$3.2 million which will be budgeted, expensed, and paid for in 2023. Directors Albee, Shriver, Leung, Roche, Anderson, Hathaway were in favor and Director Sokol was opposed. The motion carried.

DISCUSSION ITEMS

CFO Miskimins introduced/re-introduced Marina Takacs, who was originally responsible for creating the financial report, then became the Senior Financial Analyst and is now back as the Accounting Manager.

Financial Overview – Chief Financial Officer Miskimins informed that state law requires that all special districts with revenues in excess of \$750,000 file an annual report with the State Auditor within seven months of the close of their fiscal year. This report must include a complete set of financial statements presented in conformance with generally accepted accounting principles and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants.

Pursuant to that requirement, included in the Board Packet, is a draft of the 2021 Annual Comprehensive Financial Report which includes the District's audited financial statements. The auditing firm, Watson Coon Ryan audited the District's financial statements and their auditor's report is included in the report.

Due to a new Governmental Accounting Standards Board pronouncement that was implemented, the Board will need to amend the 2021 budget. A draft of a resolution to amend the 2021 budget is included in the Board packet and CFO Miskimins provided further explanation for the need to amend the budget & providing highlights from the auditor's report and financial performance report.

At Director Anderson's request, CFO Miskimins stated that it has always been reported by fund but this is the first year that the fund balance is required to be reported

At Director Leung's request, CFO Miskimins stated that there is a requirement for the District to recognize FPPA for employees in a defined benefit plan. In the asset section, there is an item for pension liabilities in the deferred outflows of assets because it is overfunded. Other pension plans are in a liability position. At Director Sokol's request, CFO Miskimins will provide the percentage of employees in the defined benefit plan.

At Director Sokol's request so we could more accurately determine what we could get if we need to sell, CFO Miskimins stated that the District reports the District's buildings and stations value on a depreciation schedule but could easily get an assessed value number from the county assessors.

At Director Leung's request, CFO Miskimins stated that the District currently uses two investment companies for long-term investments, everything else is invested in the Colorado Statewide Investment Pool but Staff would be open to reduce to one investment firm. CFO Miskimins also clarified that almost 100% of the District's portfolio is fixed income and the value lost is in our bond portfolio, basically a paper loss of unrealized revenues and not actually losing principal. CFO Miskimins will send the most-recent investment report to Director Leung.

At Director Anderson's request, CFO Miskimins believes the intent of the required language in the report that are comparisons to other districts with overlapping debt and largest employers is for the taxpayer's benefit and the information was pulled from earlier in the year so the information may have changed.

Staff will ask for acceptance and approval of the audit and Annual Comprehensive Financial Report and amend the 2021 budget at the Board's July 11th meeting.

Local 2086 Working Agreement Overview – Chief Baker recommended this time be tabled until the July 11th meeting. The Board agreed.

INFORMATION ITEMS

Reorganization – Chief Baker has been working with the ETeam members on some significant realignment for the team. Chief Kirschke will be rotating back to Line and there will be other movement as well. Staff will provide the Board with a summary before it is distributed to the organization & then some internal interviews will take place for some Assistant Chief openings.

9/11 Memorial Park Donation Request – Chief Baker noted that a copy of the request from Poudre Fire Authority was included in the Board's packet & wondered if SMFR would like to donate in support of the project. Board feedback will be provided at a future meeting.

Chief Baker followed up on the Board's discussion at the last meeting, reporting that one employee retired yesterday and two have announced retirement in July and August, bringing the total departures to 40 & most have been normal retirements. CCD Director March added that four new Dispatchers are starting the academy next week, one retired, one who was formerly a police dispatcher went back to their former job, and one hired from out of state decided the job was not what was anticipated.

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

- Chief Dell'Orfano reminded that a copy of the National Terrorism Advisory System Bulletin dated June 7th was included in the packet. The bulletin contains a summary of the terrorism threat to the United States.
- Chief Dell'Orfano stated that Staff will reset the dates for the Board Budget Session, so will look at mid-August dates.
- CCO Kristin Eckmann reminded that the Annual LODD Ceremony is on Saturday at 11:00 a.m. here at Mineral.
- Local President Mark Dzengelewski thanked the Board for what they did with the radios and the commitment to the safety of his members & recognized his membership for covering for the people that are leaving by signing up for extra work and deployments and doing a great job and stepping up to the challenges that many departments across the country are experiencing. He also thanked the Board for supporting the 4-person staffing.
- Director Anderson mentioned the fire academy graduation that needed to be rescheduled and wanted them to know that the Board cares about them and hopefully they are recovering.
- At Director Anderson's request, Chief Dell'Orfano reported that several IGAs are under review and anticipates more. Additionally, all polices are reviewed on an annual basis.
- Chair Albee stated that Directors Sokol, Anderson and he had the opportunity to watch the wildland training at Cherry Creek State Park and it was outstanding.
- Chair Albee stated that there are Board Committees that need to be update & reviewed the Board's involvement on the various committees.

EXECUTIVE SESSION (UPON MOTION)


N/A

NEXT MEETING

The next Regular Board of Directors' meeting to be held on July 11, 2022, 6:00 p.m. at 9195 East Mineral Avenue, Centennial, CO

ADJOURNMENT

Chair Albee adjourned the meeting at 9:31 p.m.

Attested by:  Date: July 11, 2022