

South Metro Fire Rescue Fire Protection District
Regular Board of Directors' Meeting Minutes
July 11, 2022

Present:	Jim Albee, Chair	Bob Baker, Fire Chief
	Renee Anderson, Vice Chair	Mike Dell'Orfano, Assistant Chief
	William Shriver, Treasurer	Tobias Kirschke, Assistant Chief
	Sue Roche, Secretary	Kevin Milan, Assistant Chief
	Cindy Hathaway	Jon Adams, Assistant Chief (absent)
	Kevin Leung	Dillon Miskimins, Chief Financial Officer
	Rich Sokol (excused absence)	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 6:01 p.m. and welcomed everyone to the meeting.

PLEDGE OF ALLEGIANCE

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

ROLL CALL

Rich Sokol was absent. All of the other Board members were present in person.

PUBLIC COMMENT

N/A

CONSENT AGENDA

June 6, 2022 South Metro Fire Rescue Fire Protection District Regular Board Meeting Minutes
June 20, 2022 South Metro Fire Rescue Fire Protection District Special Board Meeting Minutes

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

ACTION ITEMS

Public Hearing: SMFR 2022-07 Resolution to Amend the 2021 Budget

Chair Albee opened the public hearing at 6:03 p.m.

CFO Miskimins stated that due to a new Governmental Accounting Standards Board pronouncement that was implemented, the Board will need to amend the 2021 budget, reminding that the two reasons to do so were:

- The new GASB 87 lease implementation that occurred in 2021 caused an expense of \$2,041,002 in the General Fund which was not in the original budget.
- Mineral building experienced an unforeseen need to replace HVAC in 2021 which resulted in needing an additional \$40,209 of budgetary funds in the Building Rental Fund.

There was no public comment.

A motion was made by William Shriver and seconded by Kevin Leung to approve SMFR Resolution No. 2022-07 to Amend the 2021 Budget and Appropriate Sums as presented. All were in favor and the motion carried.

Chair Albee closed the public hearing at 6:06 p.m.

2021 Audit/ACFR - CFO Miskimins, as reported at the last meeting, 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.

CFO Miskimins opened the floor for questions. There were no questions on either the audit or the ACFR.

A motion was made by William Shriver and seconded by Sue Roche to accept the Annual Comprehensive Financial Report and Audit for the Fiscal year Ended December 31, 2021 as presented. All were in favor and the motion carried.

May 2022 Financial Statements – CFO Miskimins reviewed the financial statements, highlighting:

1. Fund balance increased by \$1 million compared to the prior month bringing the fund balance to a total of \$99.4 million.
2. Through May, the District has collected \$89.8 million in property taxes and \$4 million in specific ownership tax revenue, which reflects 71.47% collection vs. 70.60% at this time last year for property taxes, and 37.21% vs. 44.69% for specific ownership taxes.
3. As of May 31st, the District has expended \$62.3 million in the General Fund related to operations or 40.54% of the annual budget not including Capital Project transfers.
4. Ambulance transports have exceeded 2022 budget expectations by 1,134 transports, for a total number of transports of 9,337 through May. The District's net revenue is \$490k over the year-to-date budgeted amount and \$682k more than the same period last year. Total bad debt is increasing in 2022 as compared to 2021. Through May this year, bad debt as a % of net revenue is at 24.6% as compared to 21.3% in 2021. Collections received as % of bad debt is at 9.9% through April this year as compared to 12% in 2021.
5. Through May, the District has expended \$2.9 million or 21.14% of our total budgeted expenditures in the Capital Fund.
6. Through May, the District has billed \$1.025 million in Plan Review Fees or 56.26% of the total budgeted amount.
7. In May, the District has transferred all funds held in Colotrust to CSIP to earn higher interest rate. In May, the average monthly yield at Colotrust was 0.79% as compared to 0.82% at CSIP. Subsequently, surplus CSIP funds of \$25 million has been invested in a 120-day maturity at 2.82% interest rate vs. .82%.
8. Through May, the District has billed 11 wildland fire deployments with total reimbursements of \$513k. This has been a record number of fire deployments this early in the year. CFO Miskimins reviewed the recent deployments and reimbursements related to each.

Per Director Anderson's request, CFO Miskimins stated that as the interest rates increase, the investment interest rates will also and that will be reflected in the monthly reports.

Per Director Shriver's request, CFO Miskimins confirmed that the invested funds will be needed, likely in February or March of next year.

Per Director Leung's request, CFO Miskimins reported that the current investment vehicles typically generate a higher interest rate than an interest-bearing checking or savings account. The District currently banks with Wells Fargo & he is not sure whether or not they offer any government products but they offer free banking which offsets the cost versus a small interest-bearing account. Adding that this is the only account that is not interest-bearing.

At Director Anderson's request, CFO Miskimins stated that there is a small increase in transports & and percentage of people being transported in all of our EMS calls. Chief Curtis added that home healthcare, rehab facilities and a lot of places that our crews are responding do not have the staff to support their facilities so people are having to rely upon 911 more and in turn the hospitals are getting crushed right now. There also seems to be an increase in acutely ill patients & cyclical volume increases.

At Director Shriver's request, CFO Miskimins stated that the transport revenues are up over last year but some of it that is where the numbers are budgeted. In 2020 and 2021 revenues were down, so we adjusted the numbers so we are still budgeting lower than normal. Staff will bring more-detailed information regarding the call numbers to the next meeting. Chair Albee requested that the information include any identified trends.

At Director Leung's request, CFO Miskimins informed that inflation and the economy may be factors in the bad debt numbers. Adding that our collection agency collects for a handful of other transport agencies and they report that we are definitely within the normal range. The agreement with this collection agency is fairly new, just about a year or so, and we are coming out of the honeymoon period & reminded that all collections are on self-pay options which is a relatively low percentage of the total revenue. Staff will bring some collection comparisons to the next meeting.

At Chief Albee's request, CFO Miskimins informed that the COVID schedule minimum staffing was reclassified in 2022 & that minimum staffing numbers are up but not double. CFO Miskimins added that the COVID schedule expired in May so this is the last financial statement that will reflect the COVID coverage numbers increasing by any material amount.

A motion was made by William Shriver and seconded by Cindy Hathaway to accept the May 2022 Financial Statements as presented. All were in favor and the motion carried.

CSD Property and Liability Pool Repayment Agreement – Chief Dell'Orfano reminded that through our membership in the Colorado Special District's Workers' Compensation Pool, the District participates in the Colorado Firefighter Heart and Cancer Benefits Trust. The Heart Trust premium is paid by the District to the CSD Pool and once paid, we apply and receive reimbursement through the Colorado Department of Local Affairs (DOLA) Firefighter Cardiac Benefit Program. The CSD Pool also pays the premium for the Cancer Trust Award Program. The CSD Pool requires the Repayment Agreement between the CSD Pool and the District acknowledging SMFR's repayment obligation in case we cancel or choose not to renew the workers' compensation coverage during the coverage period from July 1, 2022 to June 30, 2023. It needs to be executed by the District's governing body, this agreement has been signed by SMFR in previous years, and Staff recommends approval of the Repayment Agreement.

At Director Anderson's request, Chief Dell'Orfano stated Staff does not know of a reason we would want to drop out.

A motion was made by Sue Roche and seconded by Renee Anderson to approve Colorado Special District's Property and Liability Pool Repayment Agreement for the period of July 1, 2022 to June 31, 2023 as presented. All were in favor and the motion carried.

DISCUSSION ITEMS

Local 2086 Working Agreement Overview – Chief Baker stated this is the opportunity to brief the Board to give a background on the history of the agreement, going back to before the unification with CFPD, LFR and SMFR. President Dzengelewski added that it actually goes back to the merger between PFPD and SMFR, where SMFR members relinquished their MOU as a statement of faith to take care of the people at that time, which is standard operating procedure for fire

departments when a pending merger comes up, it was a huge deal that took a lot of work, but it worked out fabulously and that is what makes up the SMFR's relationship between Management and Labor today.

At Director Anderson's request, Local President Dzengelewski stated that the agreement verbiage regarding the continue the pursuit of 4-person staffing is working and on schedule. Dzengelewski added that the 4-person staffing is a game changer in the field for the safety of the crews and the citizens. Chief Baker guessed that there may be several hundred departments with 4-person staffing in the nation. President Dzengelewski stated that the larger districts have four and five-person crews. At Director Leung's request, President Dzengelewski informed that 4-person staffing is the national standard and no one is going to go backward. Chair Albee provided additional context by stating SMFR is about 70% there.

Chief Baker reminded that with this agreement in place SMFR does not have to follow the Colorado Firefighter Safety Act SB 13-025, where if the two sides are at an impasse it goes to a vote of the people, potentially footing the cost of an election that may be inconsequential.

Chief Baker reviewed the 18 articles & addendum setting for the procedure for negotiations between the Local and the District. Chief Baker then reviewed the Mediation & Arbitration History (of which there is none), Working Agreement Iterations, and current agreement highlights.

At Director Anderson's request, President Dzengelewski stated that the membership is polled for what they feel is important and the Executive Board works through the negotiations and brings it back to the membership for ratification. Negotiations usually start in July of the year the contract expires but will probably want to get ahead of it before the current agreement expires and Chief Baker retires in 2024.

At Chair Albee's request, President Dzengelewski reported that the cadence of the salary comparables are all different. SMFR compares to Denver, Poudre, Colorado Springs, West Metro and Aurora, which are all experiencing growth and similar issues.

At Chair Albee's request, President Dzengelewski indicated that it is pretty common for the Local President to come off line and that becomes their primary job. Management and Labor have worked hard together to allow him to get time off & he tries to be diligent and effective during that time off.

At Director Anderson's request, President Dzengelewski reported that with the reallocation of a sick day, it is now at a premium and harder to accrue, as well as one shift off on sick uses up 48 hours & we are just coming out of COVID. Otherwise, the feedback has been mostly positive.

The Board thanked Chief Baker and Local President Dzengelewski for the informative presentation.

INFORMATION ITEMS

IGA Update – Chief Dell'Orfano reminded that SMFR Resolution No. 2018-13 delegates and authorizes the Fire Chief to sign and execute on behalf of the District any contract, agreement, or application to participate in programs involving the administration and operational functions of the District. The Fire Chief has further delegated signatory authority (CFO, Assistant Chief Business Services) and established a policy that states "All contracts that contain intergovernmental agreements or sensitive political topics shall be presented to the board of directors as an informational item at the next available board meeting." A copy of the list of IGA's signed during the month of June was included in the Board packet, which should all be the same information as last month.

Budget Workshop – Chief Dell'Orfano stated that the survey of availability appears to show that everyone is available on August 29th in the evening. Staff will get the meeting onto everyone's calendars.

Local 2086 President Dzengelewski provided some background on the Heart and Cancer Trust. Several years ago a bill was passed in Colorado to establish presumptive cancers in firefighters. Workers' compensation fought hard against accepting

the claims. President Dzengelewski reminded what happened to Jeff Christ, Nick Gravina, himself and others within SMFR. So a trust was created to aid the state's firefighters cover the financial burdens created by a heart issue. The Cancer Trust incorporated the Heart Trust into one program. President Dzengelewski thanked the Board for their support of the trust.

President Dzengelewski informed that the Local E Bard has a new Vice President, Matt Sammond from B Shift, who is doing a great job & has even been nominated to be a candidate for the State EMS System Task Force.

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

- Chief Dell'Orfano stated that the SDA Conference is September 13 – 15 in Keystone, which is coming up soon, so Board members just need to let Staff know if they would like to attend.
- Director Anderson stated that she and Director Leung attended a presentation by Bob Cole's group on board topics and legislative updates, which was about four hours, and great presentation.
- Chief Baker asked for direction regarding the Memorial Park that Poudre Fire Authority is creating. The Board directed Baker to take care of it.
- Chief Baker distributed the new organizational chart which will be implemented some time before October of this year which will transition to a three Deputy Chief model and the ETeam transition will probably take place near the end of the year. Chair Albee added that part of the direction of the Chief's sabbatical was to reduce the span of control and determine who the candidates might be to fill the fire chief position. Chief Baker stated he will be testing for the Emergency Services Deputy Chief tomorrow & plans to make a decision before he leaves on vacation.
- Chief Milan provided an update on the station projects (hygiene, station alerting, JSF revised IGA tenant finish, training center improvements at both facilities, work at mineral and three stations that need to be relocated).
- Chief Baker stated that while he is on vacation Chief Milan will be the acting fire chief.
- Chief Milan presented information on the 22nd Annual Research Symposium (associated with IFSTA) he attended in Tulsa, OK. Stated that every 5 years they get together to decide the fire service priorities for the next five years. Chief Kirschke added that Dr. Carrie Burns, our new Wellness & Occupational Health Physician, who has an extensive background in emergency services and workers compensation, was hired to assist us with research regarding safety, health and making informed decisions about much of what President Dzengelewski was talking about with the Heart and Cancer Trust.
- Fleet Manager Frank stated that the Engines ordered 18 months ago have been built, two have been placed in service and the third one is in the shop and should be in service within the next 30 days. These new engines are to replace Engine 23, 40 and 47.
- The monthly Shift and Dispatch Performance KPI reports were included in the Board packet.
- A thank you letter was received for both Captain Brandon Allen and Lieutenant Tim Urban from Arvada Fire Chief Piper thanking them for serving as assessors in their recent captain promotion process.
- A thank you note was received for the crew at Station 23 for their friendly attitude and willingness to conduct an impromptu station tour that includes hats and stickers for the kids.
- A thank you note was received from a recent SMFR Citizens Academy graduate expressing appreciation for the fascinating experience that far exceeded their expectations in every area.
- A thank you letter was received from the Vice President of Construction Operations at Doran Companies to Plan Reviewer Dan Russell, Fire Inspector Rob Sprenkle and Assistant Fire Marshal Michelle Herian for their clear and concise direction to ensure a safe home for the tenants of their new 215-unit apartment complex in Centennial.

EXECUTIVE SESSION (UPON MOTION)

N/A

NEXT MEETING

The next Special South Metro Fire Rescue District Board of Directors' meeting will take place on July 18, 2022, at 6:00 p.m. at Highlands Ranch Law Enforcement Training Facility, 6001 Ron King Trail, Littleton, CO.

The next Regular South Metro Fire Rescue District Board of Directors' meeting will take place on August 1, 2022, at 6:00 p.m. at 9195 East Mineral Avenue, Centennial, CO.

ADJOURNMENT

The meeting was adjourned by Chair Albee at 7:34 pm.

Attested by: 

Date: Sept 12, 2022