

**REGULAR MEETING
BOARD OF DIRECTORS
ARVADA FIRE PROTECTION DISTRICT
7903 Allison Way, Arvada, Colorado
June 29, 2010**

CALL TO ORDER

President Doug Schneider called the June 29, 2010 regular meeting to order at 5:32 p.m.

ATTENDANCE

Board members present:

Doug Schneider, President
Mike Kerr, Vice-President
Jim Snyder, Secretary
Ted Terranova, Treasurer
Matt Kramer, Assistant Secretary-Treasurer

Also present:

Fire Chief Jon Greer
Dino Ross, District Legal Counsel

EXECUTIVE SESSION

Treasurer Terranova made a motion to go into Executive Session to consider matters that may be subject to negotiations; developing strategy for negotiations; and instructing negotiators; and to receive advice of legal counsel pursuant to C.R.S. §24-6-402(4)(b)&(e). Secretary Snyder seconded. The motion passed unanimously.

Treasurer Terranova made a motion to return to the regular meeting. Assistant Secretary-Treasurer Kramer seconded. The motion passed unanimously.

PLEDGE OF ALLEGIANCE

President Schneider led those present in the Pledge of Allegiance.

MOMENT OF SILENCE FOR FALLEN FIREFIGHTERS

President Schneider requested that all present observe a moment of silence for the 36 U.S. firefighters who have lost their lives in the line of duty this year as of June 22, 2010.

ADDITIONS OR DELETIONS TO AGENDA

Chief Greer asked that "Discussion on Possible Election in November 2010" be added to New Business.

PUBLIC COMMENT

None.

APPROVAL OF MINUTES

Assistant Secretary-Treasurer Kramer requested that the minutes of the May 18, 2010 regular meeting be amended on page five under Director's Report to change the reference from "President Snyder" to "Secretary Snyder". Treasurer Terranova made a motion to approve the minutes of the May 18, 2010 regular meeting as amended. Secretary Snyder seconded. The motion passed unanimously.

AWARD PRESENTATION

Lynn Albi – Employer Support of the Guard and Reserve (ESRG)

Mr. Albi told the Board that the ESRG is a Branch of the Department of Defense that protects the rights of members of the Reserve with employers.

The District has been nominated as a recipient of the Patriot Award by Justin Lambert, who is currently serving in Afghanistan, for the District's support of his family. Mr. Albi noted that, far too often, he sees the other side of the coin with families going through a crisis with little or no support. In his nomination letter, Justin noted that knowing the District and its members are there for his family has made all the difference while he has been in Afghanistan. The Department of Defense recognizes the Arvada Fire Protection District for contributing to national security and protecting liberty and freedom by supporting employee participation in the National Guard and Reserve Force.

Chief Greer thanked Mr. Albi for this award and told him that the District considers all of its employees and volunteers to be part of a family and supports them as such.

9-1-1 BANQUET AWARD PRESENTATION

Chief Greer called Support Services Manager Chris Ambrosio and Dispatchers Jill O'Brian and Willie Sandoval to the podium. Ms. O'Brian and Ms. Sandoval were not able to attend the 2010 9-1-1 Awards Banquet because of family commitments. He presented a PowerPoint describing the work of these two dispatchers during the Jefferson Fire on February 24, 2009.

Chief Greer then presented an award plaque to be placed in Dispatch recognizing this achievement and also presented each of the dispatchers with an individual award.

CHIEF'S REPORT

Fire Chief Jon Greer

Pridemark Paramedics

Mike Donner

Mr. Donner presented April and May contract compliance statistics. Of 495 calls in April, response times were at six minutes, 30 seconds or less 91.11% of the time. There were no calls over 15 minutes. 484 of the total 521 calls in May were at six minutes, 30 seconds or less. There were no calls over 15 minutes.

Mr. Donner told the Board that Pridemark employee Madeline Acosta passed away last week after fighting an illness.

Pridemark received the ESRG Patriot Award as well.

Pridemark will be moving to a new building for operations at 6100 W 54th Ave. This is the building where DHL used to be housed at 54th & Marshall. There is plenty of parking, including secure parking for night employees, and room for a gym, an expanded dispatch center and an expanded shop. Operations will begin moving in mid-October. Because the building had stood empty for some time, they received a very favorable lease rate with a 10-year lease and 5-year options. This is two blocks from the current facility. The District will be invited to the open house.

Chief Greer stated that Pridemark continually gives the District great service. It is very good when the report is the same every month.

2009 Audit Report

Bob Feis, Lemke, Feis & Co.

Mr. Feis reported that the audit went very well. The records were in order, all information was available, and there was no fraud or malfeasance and no questionable transactions. All statements are in accordance with generally accepted accounting standards. The time on-site went very smoothly. Mr. Feis commended Sarah Kroonenberg, Sue Steward and the administrative staff for their assistance during the audit. It was evident that they had worked very hard preparing and providing the necessary financial documentation. The District was in very good financial shape coming into 2010.

The audit of the Volunteer Firefighter Pension Fund showed that 2009 was a rebounding year.

Chief Greer asked that a correction be made on page 16, under Footnote 5 to state that the "contribution to pension fund was actuarially determined". Mr. Feis will correct this error prior to submitting the audit to the state and provide the revised copy to the District.

Revenues for 2009 were \$282,557 over budget. This was mostly due to a lawsuit settlement, as investment earnings were under budget as were specific ownership taxes. Expenditures were under budget by \$267,791, showing fiscal responsibility.

The audit found no issues, other than non-segregation of duties due to the relatively small size of the organization.

Administrative Services

Administration Division Director Shirley Grantham - excused

Fire and Life Safety and Public Information

Fire Educator/PIO Scott Pribble

Public Information

There was a mobile home fire on May 25th, which generated several interviews. There were no fatalities or firefighter injuries. There was one minor civilian injury.

Mr. Pribble responded to a double fatality accident at I-70 and Kipling. Though this was in the Wheat Ridge Police Department's jurisdiction, he was able to help with interviews, as there was a

substitute PIO on duty for Wheat Ridge Police.

Mr. Pribble gave an update on the Pepsi Refresh Grant application for turning retired Station Seven into an Educational Center. The District was not voted into the top 10 for June; however, it was in the top 100, so will automatically continue in the grant contest through July. He asked all individuals present and all viewers to continue voting once daily for every e-mail address.

The Kids Academy, June 9-11, consisted of 12 students. For the first time, all were boys. The academy included communications, ropes and knots, basic first aid, a maze and a mini-combat challenge.

Family Safety Day was held last Saturday, June 26th. The Fire Academy was cancelled, and all of the recruits came to help. Mr. Pribble told the Board that the District has a fantastic group of recruits who were great with the public. He also thanked the retired, administration, reserve and career members who came to help.

The District will be at the Arvada July 4th celebration with the Safety House and trucks. As always, the District will be on hand to provide fire suppression if needed during the fireworks.

ATTORNEYS' REPORT

Attorney Ross stated that he had nothing to add to the written report, and asked if the Board had any questions. The Board had no questions.

DIRECTORS' REPORT

Secretary Snyder and Vice-President Kerr will attend the meeting with City of Arvada Representatives on July 12 at 4:00 pm at Panera Bread.

FINANCIAL REPORT

Approval of Bills

Treasurer Terranova moved to approve payment of the bills for May 2010 as presented. Secretary Snyder seconded. The motion carried unanimously.

OLD BUSINESS

Chief Greer advised the Board that the Wheat Ridge City Council gave final ODP approval for Station 2. Prequalification applications from contractors will be reviewed for construction of the station. The District then will select six of the contractors to go forward and bid. The District should break ground sometime in August.

NEW BUSINESS

Consideration of Approval of 2009 Audit

Secretary Snyder made a motion to approve the 2009 Audit, with the amendment requested by Chief Greer. Vice-President Michael Kerr seconded. The motion passed unanimously.

Consideration of Updated Inter-governmental Agreement (IGA) with Jefferson County for Wildfire Response

Chief Greer informed the Board that this is an update to an existing IGA. The District has teams trained to help with wildfires and is able to request help when needed, as well.

Vice-President Kerr made a motion to approve the updated IGA with Jefferson County for Wildfire Response as presented. Treasurer Terranova seconded. The motion passed unanimously.

Discussion on A Possible 2010 November Election

Attorney Ross noted that Chief Staff has requested that this be placed on the agenda for the Board's consideration. The economic recession and the drop in assessed property values, plus the impact if one or all three of Proposition 101, Amendments 60 and 61 are approved in November 2010, are all of significant concern to Chief Staff. Legal counsel has had on-going discussions with Chief Staff regarding these concerns over the last six months, including options for addressing these issues. Chief Staff is asking the Board to consider submitting a tax increase ballot issue to the voters during the November general election. Chief Staff and legal counsel have developed two alternative Resolutions calling for a November election. One Resolution is based on the District participating in the coordinated polling place election that Jefferson County will conduct in November. The other is based on the District hiring a private election firm to conduct a separate Mail Ballot Election in November. Different requirements apply for each.

Attorney Ross stated that the Board is not being asked to take any action this evening. Rather, it is hoped that tonight will be the beginning of a dialog with the Board regarding a possible election in November 2010.

Chief Greer advised the Board that one of the major concerns is the possibility that Proposition 101, or Amendments 60 or 61 may pass. This would have a direct impact on the District. Proposition 101 would reduce the District's annual revenue by approximately 6% (approximately \$1,000,000), which is the amount necessary to fund and staff one station for a year.

Chief Greer advised the Board that in 2010 the District is operating on \$210,000 less in property tax revenue than in 2008. Interest income is virtually non-existent. Today, the District's total annual operating revenue is at least \$300,000 less than in 2008. Costs, on the other hand, have continued to rise. According to the County Assessor, assessment on properties to take effect in 2012 will result in an additional 7% decrease in the District's property tax revenue. The District does not have enough money in its reserves to absorb this impact for more than a year or two at the most.

The District's current tax rate is 9.48 mills. Chief Staff's research of neighboring fire districts with career firefighters shows that the average tax rate for comparable neighboring fire districts is 14.3 mills. The District's tax rate is almost 5 mills below the average for comparable fire districts in the area. Chief Staff and the District's members have been very frugal in how they operate, but the District cannot exist if its annual revenue keeps going down. As the auditor pointed out, 80% of the District's budget is personnel costs. Chief Staff estimates that, unless corrective action is taken, the District's annual revenue will be significantly less in 2012. The District has already made budget cuts in capital improvements to its existing stations and apparatus replacement. The last two stations to be built are the only ones that have been built in the last 30 year. As apparatus

ages, it is out of service more and becomes less dependable. The District just replaced a 1991 aerial last year. The last three years of its life, it was out of service about 40% of the time, because it should have been replaced three years earlier than it was. The District is struggling financially, and the Board needs to discuss how best to address these issues.

Chief Greer stated that the Board appointed a Blue Ribbon Advisory Panel made up of citizens outside of the organization. The goal was to get an outside opinion of what the District should do to address these issues. These recommendations should be available at the next meeting. In Chief Staff's opinion, this is the most serious financial situation the District has ever faced.

Attorney Ross told the Board that the other issue addressed in the proposed Resolutions is firefighter staffing. National Fire Protection Association (NFPA) is the recognized agency for establishing fire-related standards. NFPA 1710 has set the minimum staffing level for career departments at 4-person crews. The District' staffing is less than one firefighter per 1000. To meet NFPA 1710, the District would need to hire 45 additional career firefighters. This is beyond a conceivable budget possibility. The bare minimum for compliance would be 9 firefighters just to backfill the basic need for staffing.

Attorney Ross advised the Board that there are a number of deadlines that come into play in looking at a November election. One is that the form and content of the ballot must be certified to the County by September 8th. If the Board chooses to conduct its own election, it must be a mail ballot election. The County election will be a polling place election. Even with the permanent mail-in ballot requirement, a certain number of the electors will be at the polls.

Attorney Ross requested thoughts from the Board. Vice-President Kerr asked if it is possible to do both. Attorney Ross replied that this is not possible.

President Schneider noted that the District's auditor this evening addressed the short staffing in Administration. There is not enough staff to support the organization. With NFPA 1710, Proposition 101 and Amendments 60 and 61, the District is over its head with negative possibilities. President Schneider asked Chief Greer to confirm that the District has suspended its fire apparatus replacement program. Chief Greer replied that Truck Six was last apparatus replaced. The District saved for three years to replace that apparatus and had actually ordered the truck 14 months before receiving it. That apparatus was ordered before the effects of the economy were known. At \$903,000 for a truck and \$350,000-\$400,000 for engines, this is an expensive operation and the District cannot continue the replacement program, when it is facing the hard fact that it may not be able to keep its people, who are the District's number one asset.

President Schneider stated that he can see the Board must consider going forward with an election to meet the District's operating costs.

Chief Greer noted that even if the economy ultimately recovers to its prior levels, the District still will only return to its 2008 funding levels, with no increase to adjust for the cost increases that have occurred since 2008.

Treasurer Terranova noted that even though he serves on the Board, he still sees himself as outside of the organization as he has never been involved in firefighting. Treasurer Terranova stated that he has seen wasteful organizations before; this is not one of them. The citizens should understand that, while there might be an anti-tax sentiment because of federal government spending, there are no mismanagements around this District. While personnel are the biggest

expense, it is necessary to note that our Union and its members voluntarily accepted no wage raise, because of budgetary constraints. Elsewhere, employees are unwilling to forego at least a cost-of-living raise. Without it, they are going backwards. The District's personnel are making personal sacrifices; equipment is outdated and needs to be replaced. This is a governmental entity that exists solely for the safety and emergency service it provides. The District exists just to take care of emergency needs. It will not be hard to explain to anyone in just a few sentences about this necessity. It is just the numbers. Balancing the budget and adding front line firefighters is necessary to save lives and do the job the District is expected to do. This is about having the resources to do the job the District is expected to do.

President Schneider told those present that he believes the information Treasurer Terranova presented has set the direction for the Board to evaluate prior to considering the proposed Resolutions.

Attorney Ross asked the Board for permission to seek proposals from outside election firms for comparison with the Jefferson County coordinated election costs. The consensus of the Board was that this should be done. Attorney Ross stated that he would forward the information to Chief Greer as soon as possible.

Treasurer Terranova added that construction of Station Two is an essential need. The current Station Two was built in the early 1960's. He told the audience that, through the efforts of Chief Staff and Attorney Ross, refinancing of Stations Seven and Eight at a lower rate was combined with the financing of Station Two, which resulted in a savings from the cost of just the two-station loan. They also capitalized on the Build America Bonds, which are subsidized by the federal government. Once all of the numbers have been combined, the District will have paid \$300,000 for a \$2,100,000 station.

FOR THE GOOD OF THE DEPARTMENT

Lt. Ken Rubenking and Firefighter Dan Roozen were successful in receiving a grant from the State EMS Committee to purchase equipment to allow the District to put another paramedic engine in service. This also included DOT-approved traffic cones for EMS scenes.

Chief Greer also stated that the retired members asked him to tell the Board members that they will be receiving invitations to the annual dinner on August 21st at the Arvada Elks.

ADJOURNMENT

Secretary Snyder made a motion to adjourn the meeting. Treasurer Terranova seconded. The motion passed unanimously. The meeting was adjourned at 8:37 p.m.

James H. Snyder, Secretary

cc: Website