

RECORD OF PROCEEDINGS

MINUTES OF A SPECIAL BOARD MEETING OF THE BOARD OF DIRECTORS OF THE FOOTHILLS FIRE PROTECTION DISTRICT HELD June 2, 2010 (Wednesday)

A special meeting of the Board of Directors of the Foothills Fire Protection District (referred hereafter as "BOD") was convened on Wednesday, June 2, 2010 at 6:03 P.M., at the Mount Vernon Country Club, 24933 Club House Circle, Golden, Colorado.

The meeting was open to the public at 6:00 p.m.

I. ATTENDANCE

Patrick Smith-Board President	Dennis Polhill-Self
Julie Ann Courim-Vice President	Murry Wynes-Self
Richard Bartlett-Treasurer	Janet Tyrrell-Self
David Robinson-Secretary	Richard Tyrrell-Self
Steve Close-Assistant Secretary (excused absence)	Brenda Ratkieoiz-Self
John Kilpatrick-Chief	Dave Stajcar-Self
Jeanette Kehoe-Business Manager	Pati Stajcar-Self
Linda Alexander-Legal Counsel	Noah Harkless-Self
	Vicky Gits-Canyon Courier
	Chris Courim-FFPD + Community

II. ADMINISTRATIVE MATTERS

A. Call to Order at 6:03

B. Approve Agenda

Motion to approve by Director Bartlett and seconded by Director Courim, passed 4-0

III. NEW MATTERS

A. Status of Business Manager position

Director Smith stated that he had reviewed the meeting minutes over the last year to confirm how we arrived to where we are to date. He has had discussion with the Chief and distributed those meeting notes to the Board

related to the Business Manager position. Smith requested that if the Board has any questions about those notes to please ask. Smith believes that the Chief's position is if the Business Manager's position is eliminated to wait until the last two weeks of this month to make a decision on reorganization to fulfill the Business Manager functions. Smith also believes the Chief's first priority is to retain the current Business Manager's position.

Chief Kilpatrick indicated that he endorses the current Business Manager's (Jennette Kehoe) work ethic, organizational skills, competence and she has a very good grasp of the issues and the responses required by the various District issues. He finds her constantly busy with the work of the District and has compared a time log of the position that was generated in 2009 with the current workload and believes that the Business Manager position is warranted. Chief also believes that retaining the Business Manager position is more productive than elimination of this position and distribution of those tasks among current staff, additional part time staff and/or contract staff. He believes this because of the hidden costs of training, consistency of work product, and maintaining up to date and accurate records.

Chief Kilpatrick presented a budget analysis of the District with and without the Business Manager position. He performed the analysis for 2010, 2011, 2012 and 2013. In summary the Chief indicated that the net additional cost of the Business Manager position is approximately \$23,000. The Chief believes that an increase in paid personnel expenses of approximately \$70,000 per year can be offset by a reduction administration cost for outside contractors, consultants and other administration cost. To account for the \$23,000 net additional cost the Chief proposes to reduce the payment allocations to the Pension Fund and the Truck Reserve Fund.

The Chief believes that contributions of \$120,000 to the Pension Fund and \$118,147 to the Truck Reserve Fund account for 25% of the total budget and are more aggressive than required. Chief provided an analysis of the Pension Fund plan that he states is currently 73% funded. The Chief's proposed plan would fully fund the Pension Fund by 2020. The Chief believes this is fiscally sound. Similarly the Truck Reserve Fund contribution would be slightly reduced but would still be more aggressive than at anytime previously.

The Chief recommends retaining the Business Manager position and the current employee. As such he has not begun a transition to locate the part time resources needed if the Business Manager position is eliminated.

Director Robinson asked the Chief: In summary you feel that it is a net \$23,000 expense that you would take from the Truck Fund and the Pension Fund?

Chief responded “yes.”

Director Robinson asked the Chief, you have estimated a \$125,000 investment income in pension fund value, that seems very optimistic, how did you arrive at that amount.

Chief responded he used first quarter investment income and multiplied by 4.

Director Smith asked: “How did you document the amount of time and the tasks required to be performed by the Business Manager?”

Chief responded that by observation of work product and asking for Department related information he determined that the Business Manager was performing tasks of the District.

Director Smith asked if the Chief had based this on task list compiled in 2009 when the BM was in a probationary period, new to the job, and or if he compared that with a year later to see if efficiencies have increased or does it still take the same amount of time to perform the tasks.

Chief responded that he had looked at several options such as on-line banking, however, the Chief said he doesn't believe that there is any efficiency to be gained. Therefore, the time required for BM tasks remains the same.

Business Manager Kehoe stated that her efficiency has increased from 2009 so she devotes her time to lesser priority tasks of file organization, grant writing, etc. She said she is busy the entire day every day working on District related tasks.

Director Smith observed that if Prop 61 passes this fall we may have to make provision for Truck purchase without the Lease/Purchase option we currently utilize. If we cannot utilize Lease/Purchase he asked the Chief how he proposed we purchase new apparatus with his proposed reduction in contributions to the Truck Reserve Fund.

Chief stated the reduction in contribution to the Truck Reserve fund would only take one extra month of contribution to recover. He said we would have to delay our purchase by one month.

Director Smith, asked if the Chief had projected how much longer it would take to achieve an 80% funded Pension Fund with his proposal.

Chief responded “no.”

Director Robinson, assuming the current BM resigns, who would you be looking to replace her – a Business Manager or a Business Manager/Responder?

Chief said he would prefer a Business Manger/Responder. However he said this would be difficult to find.

Director Robinson asked the Business Manager, roughly what percentage of her time is spent as a Responder?

BM Kehoe said she responds to approximately 6 to 7 calls a month for approximately 45 minutes per call.

Chief said it is valuable to have an additional Responder when we are short of available Responders.

Director Smith added a comment on being short of Responders. He said we have not had a shortage of responders, other than a weekend, therefore he didn't see where we are short of Responders.

Chief said when call volume is low we see a greater response from the volunteers than when call volume is high. When call volume is high we can use the additional Responder.

Director Courim stated that by her analysis of the last three years' data we know that only 33% of all of our calls occur during normal working hours. The majority of our calls are covered by volunteer Responders. Therefore the majority of time the Chief was asking us to fund is for Business Manager time and not Responder time, Director Courim felt. She also said we have alternate means to perform the Business Manager functions which can dramatically reduce the District's overhead costs. Analyzing the time, Director Corium felt we need a fourth responder for structure fires. Not one over the last four years (for the three structure fires we had) fell during normal working hours. She said we have not had a single structure fire where paid staff was on those calls.

Chief stated that structure fires are a statistically insignificant means to determine staffing needs. He said we average one structure fire per year. Secondly, 40 hours per week do not constitute a third of the total time. Nevertheless, a third of our calls do occur during 40 hours per week paid staff is on call. Therefore a higher percentage of the calls occur during working hours.

Director Courim observed that the Chief was asking for the District to spend money for a fourth responder that only covers one third of the calls. She asked how he justified this expense considering that the majority of the work

is currently done by the volunteers. She said the budget projections indicate not a \$23,000 per year expense but a \$35,000 to \$40,000 expense to the District for basically a fourth Responder. She also felt an increase in any other expenses would also need to be covered by a reduction in the contribution to the Pension Fund. She felt we cannot ignore the savings to the District by not outsourcing some of the Business Manager functions. Director Corium said it appeared the Chief's priority was to retain the Business Manager position at the expense of other portions of the budget, such as volunteer recognition, Pension Fund and Truck Fund. She said she remembered their Structure committee meeting where we had Officers in the Department, Board Members and Community Members when the District had a Business Manager and a part time Chief. She said the committee decided that we couldn't retain a part time chief. Therefore, she said the decision was made that we would hire a full time Chief and eliminate the Business Manager position. She told the Chief that that was known to him when he was hired. She added that we have retained the BM position to allow for a transition. However, she asserted, that to date the Chief had not begun a transition. Director Corium she didn't see the financial analysis that justified the retention of the BM position.

Director Bartlett added that it was his concern is that we are increasing our administrative cost from 28% of the budget to 38% of the budget.

COMMUNITY FEEDBACK

Volunteer FF Courim asked what the history was of administrative costs.

Director Bartlett responded that in previous years it was nearly 35%. However, this was reduced to approximately 20% in 2008 and 2009 and is slowly rising again.

Volunteer FF Courim asked what are we gaining by the increased costs? Originally we thought that the BM position would be able to apply for additional grant money, he thought, and asked how successful have we been in obtaining grants.

Volunteer FF Harkless asked if some of the time spent by paid staff could be allocated to operations because this is the work they are performing?

Director Courim responded that because of the way we are required to account for paid staff it is recorded as administrative cost.

Volunteer FF Wynes presented a letter to the board. In summary it is not in the best interest of the District to have both a full time Chief and Business Manager. Since the volunteers cover the majority of the calls we do not have a need for another full time Responder. The money saved by the elimination

of the BM position should be allocated to the Pension Fund because it is underfunded as well as there will be 11 people within the next 6 years who will be withdrawing from the Pension Fund.

Community member Polhill said, in summary, the community had a little mini revolution in the election in 2006 because the community saw a bureaucracy building. It should be obvious that the mill levy will not get increased. The community will not stand for building a bureaucracy and putting itself in a position where we do not have the tools for the firefighters and where we have no option but to raise taxes. We cannot allow that to happen.

Volunteer – Tyrrell said that, as a volunteer, I have learned that if I need anything the only person I can count on to get it done is Jeanette.

Volunteer FF Stajcar said we have a very experienced and skilled Board of Directors who understand the structure of the District. The BOD is ultimately responsible for the finances of the District. The organization is the community, the BOD and then the Chief. When I look at the budget it says the General District requirements are over 40% of the budget which I find extreme. There is no money retained for station renovation and I think we should be saving money for these expenses. I also see that there is an increase in money for the paid staff while there is no increase in allocation for the volunteers.

Volunteer FF – Courim asked if that was true, that there is no money saved for station improvements.

Director Bartlett responded that that is correct, however, we are saving for a Truck Reserve Fund.

Volunteer FFCourim said he didn't understand about the \$23,000 additional cost. He asked if this was offset by a reduction in out source services and a reduction in Truck Fund and Pension Plan.

Director Robinson & Director Courim responded it would somewhat be offset by a reduction in out source services but these services will still be required, basically a status quo.

Director Courim said that the Chief maintains that he will not be able to perform both the Business Manager and the Chief position effectively. The BOD has previously decided that with a full time Chief the BM position would be eliminated and that we would need to assist the Chief with the BM position with out sourced services.

Volunteer FF Courim noted that one of the duties of the BM position was to apply for grants to add to the income. He asked if we have done this, does this take a lot of time, and what grants have we received.

BM Kehoe responded that yes we have applied for several FEMA grants but we have not been awarded these grants. We have also applied for smaller local grants. She recommend we do not apply for FEMA grants because of the time it takes to prepare these grants and our chance of award is slim.

Volunteer FF Courim said if we cannot increase our revenue through grants and we have two paid staff doing basically the same tasks I can't in good conscious support having both positions.

Director Smith made a motion to move to Executive session concerning a personnel matter of Business Manager Jeanette Kehoe. Director Bartlett cited under Section 24-6-402-4.f. BM Kehoe requested information on the topic of the meeting. Director Smith responded the elimination of the Business Manager position, that BM Kehoe could be present or could request and open meeting. BM Kehoe requested and open meeting. The BOD meeting continued.

Director Smith, the previous decision of the BOD in December 2009 was to eliminate the Business Manager position. Is there a motion to change the BOD decision of December 2009. Hearing no motion the Business Managers position will be eliminated on June 30, 2010.

B. Billing Tax Paying Residence of the District

Director Smith, the District currently does not bill residents for fire or medical. However, it does bill residents for rescue and trauma. Previous discussion of the BOD is to not bill residents of the District for any of these services, however, we need to determine the legal implications.

Counsel Alexander said the District will need to have a consistent billing policy. The rational basis to support not billing in District residents is that they have already paid for these services via property taxation. I will provide you a sample policy that other Districts have utilized for the BOD review.

Chief said an analysis of the data for the last ten years indicates that in District residents billings are approximately 1% of the total billings, this is a very small percentage.

Director Smith said the concept is to not bill in District residents for any services provided that are in District, that includes I-70, Charos, etc. He said he would like to move forward with this policy.

Motion by Director Smith to create a policy that would not bill residents of the District for any services provided within the District. Seconded by Director Bartlett.

Discussion;

Would this apply to out-of-District volunteers responding to a call for District for assistance?

No, but they have the option of petitioning the BOD to waive these fees.

Could these fees be paid by the individual insurance? It doesn't make sense to not have it paid.

Generally the individual's insurance does not cover the District fees. Additionally, some thought there would still be double billing since the individual has paid for these services through taxation.

Motion passed 4-0

C. Billing related to Mutual Aid Agreements

Director Smith had asked the Chief to provide the Board with the current Mutual Aid Agreement and the proposed Mutual Aid Agreement with Genesee Fire Protection District (GFPD). The main revision to the new agreement is that GFPD would like to bill for mutual aid calls that involve I-70.

Chief said the way it reads is that GFPD would have FFPD bill for GFPD services on I-70 and when collected then FFPD will pay this revenue to GFPD. This would make our billing procedure more difficult and more costly. Secondly GFPD would like to not be liable to any damage created by GFPD by behavior not consider willful misconduct and wanton actions or intentionally tortuous conduct by GFPD. In essence if a GFPD truck damages a FFPD truck then FFPD would be responsible for their own truck.

The BOD recommends that Chief have a discussion with GFPD and discuss our concerns prior to consideration of the revised mutual aid agreement. Also, that a new agreement should be inclusive of the provision of the old agreement that both parties wish to retain such that there is a single agreement in place.

Motion to move to Executive Session by Director Bartlett, second by Director Courim. RESOLVED to enter into Executive Session for Advice of Legal Counsel and for Matters that May be Subject to Negotiation, citing § 24-6-402(4)(b) and (e), C.R.S., on the subject of the Business

Manager job not being extended beyond the budgeted June 30, 2010; and legal issues related to proposed organizational restructure. Motion passed 4-0

BOD in Executive Session at 7:53 PM

BOD meeting reconvened at 8:34 PM

Motion by Director Smith to authorize the BOD to offer two weeks of severance pay, due to the elimination of the Business Manager's Position, contingent upon Jeanette Kehoe signing the severance agreement. The agreement will be forward to Jeanette for her review. Second by Director Bartlett. Motion passed 4-0.

Director Smith said we would like the Chief to work through the transition plan with Director Bartlett and Director Courim.

Motion by Director Smith to Adjourn at approximately 8:45 PM. Second Director Bartlett. Motion passed 4-0.

Next regularly scheduled Board meeting is June 15, 2010.

The following Directors have reviewed and acknowledged the minutes:

Dick Bartlett

Steve Close

Julie Ann Courim

David Robinson

Patrick Smith

The undersigned attorney for the Executive Session affirms that the portion of the discussion in Executive Session not recorded constituted Privileged Attorney-Client Communication.

Linda G. Alexander; General Counsel