

Minutes of the Regular Meeting of the Board of Directors of the Sunshine Fire Protection District

January 8, 2019

Call to Order

The meeting was held at Fire Station #1, 311 CR 83, Boulder, CO 80302.

The meeting was called to order at 7:32 PM and quorum was established.

Attendance

Board Members Present: Jean Gatza, Alan Kirton, Gene Fischer, Jim Peacock

Board Members Absent: Sam Mishkin

Others present: Chief Michael Schmitt, Deputy Chief Henry Ballard

Approval of Minutes

- Minutes from the December Board meeting were reviewed.

MOTION: To approve the Board Minutes as amended. Motion was seconded and carried unanimously.

Treasurer's Report

- In Treasurer's absence, report will be reviewed next month.

Chief's Report

- Two firefighters are starting Fire Academy this week. Michael Johnson and Paul Hourihan. When they finish, it would be good to recognize them in the spring newsletter and send an acknowledgment from the board.
- Chief Schmitt provided an update on meeting with the state shop last month regarding a new engine. He discussed the potential for the district to upgrade a state engine at our cost and enable the district to receive a new state truck to better meet our needs and incorporate features we have with 4502. This could occur later this year at which time the district can evaluate the specific costs.
- Board discussed the need for sanding and painting at the top of station 2. A. Kirton took pictures and confirmed the need for some sanding but additional work is needed to confirm the venting. J. Peacock will take the lead on this work when there is warmer weather.
- Garage doors at Station 2 were discussed regarding needed maintenance on sealing and the potential need for replace some panels. J. Peacock will explore replacement options with the manufacturer.

Other Business

- Board discussed apparatus planning and requested a high-level documentation of a 'wish-list' of apparatus documenting the need and how they serve the community. These are based on size, geography, how we coordinate with neighbors, redundancy, and types of calls. Chief suggested this can easily be provided.
- Board reviewed the transparency notice and discussed terms of current board members.

- A. Kirton reviewed the payroll expenses and payments for contract fire protection services to confirm that the district is not losing money and confirmed there are gains that fluctuate over the years, not losses.
- Emergency Fund - Board discussed retained earnings in order to formalize a process whereby we determine our non-discretionary expenses in the budget process. For the 2019 budget these are \$54,862. If we buy and apparatus and pick up a lease expense ~\$50K per year then this would increase to around \$100K. Board members discussed best practices, with members suggesting at least one year but suggested following-up at the next meeting when the Treasurer is back in order to formalize retaining about a year of non-discretionary expenses.
- Capital Replacement discussion included the following:
 - A. Kirton provided information that outlines one scenario for replacement including assumptions for calculations. Board walked through scenarios.
 - Board member raised a question about the need for a Type 1 and Chief confirmed the need for a Type 1 and that it can access all homes. What can limit us is the height and that is the same for Type 1 and 3.
 - Question rose about leasing vs. outright purchase and the math indicates that leasing is cost effective vs. purchase.
 - We could replace 4502 immediately and then make a decision in 2028 whether to replace 4501. Would give us the additional vehicle.
 - Based on leasing and inflation costs, it doesn't hurt us or will not get much better in the short term.
 - Option clear that we could replace 4502 with a type 3 truck. This would serve as a relief for 4501. It is good to have a second truck to send out of district when there is demand.

Adjourned at 8:37 p.m.

Attest:

Jean Gatza, Secretary

A handwritten signature in blue ink that reads "Jean Gatza". The signature is written in a cursive, flowing style.



Sunshine Fire Protection District
311 County Rd 83
Boulder, CO 80302
www.sunshine-fpd.org

Chief Report, Board Meeting 01/08/2019

1. 2 Firefighters starting fire academy this week.

2. New Engine: The state shop was visited, and we are in agreement with the state that when we get a new engine we will be able to upgrade it at our cost to meet our needs and incorporate features we currently have with 4502.

3. In the new year we need to address the need for sanding/painting at the top of station 2, ideally need someone to go up and assess the condition of the wood and siding. Any contractor contact info would be appreciated.

4. Garage doors at station 2 continue to leak air and waste energy.

Calls

<u>Incident</u>	<u>Units</u>	<u>Problem</u>	<u>City</u>	<u>Response Date</u>
BCFD181212-013743	A27, AMRC, FM2	EMSR-Medical Call	FOURMILE U	12/12/2018 0:52
BCFD181212-013771	3165, 4563, 4662, A14, AMRA, BES1, BR3, SS3	INACCR-Injury or Rollover	SUNSHINE U	12/12/2018 20:54

BCFD181213-013797	4662, 6531, 6532, FM3	FISMOR-Smoke Report	FOURMILE U	12/13/2018 14:12
BCFD181216-013907	1910, 1960, A7, AMRA, EMSV2, FRRD2, RMR2 2301, 4501, 4532, 4566, BR1, SS2	RELOSR-Rescue Lost Party	FOURMILE U	12/16/2018 16:00
BCFD181221-014057	4532, 4566, BR1, SS2	FIASSR-Fire Assist	SUNSHINE U	12/21/2018 2:03
BCFD181222-014121		FICONR-Controlled Burn	SUNSHINE U	12/22/2018 18:07
BCFD181223-014138		FICONR-Controlled Burn	GOLDHILL	12/23/2018 9:26
BCFD181226-014252	2301, 4532, 4561, A14, AMRD, BR3, SS1	EMSR-Medical Call	BOULDER COUNTY	12/26/2018 19:44
BCFD181228-014304	A29, AMRD, FM3	EMSR-Medical Call	FOURMILE U	12/28/2018 3:50
BCFD181228-014307	2301, 4532, 4566, A3, BR3	EMSR-Medical Call	BOULDER COUNTY	12/28/2018 6:16
BCFD181229-014360	4563, A20, AMRD, FM3	EMSR-Medical Call	FOURMILE U	12/29/2018 20:37
BCFD181230-014390		FICONR-Controlled Burn	SUNSHINE U	12/30/2018 20:12
BCFD181231-014423	3025, 3121, 3124, 3151, 3161, A17, A18, AMRD, BES1, EMSV3, FRRD3, GH3, LEU1	REWATR-Water Rescue	GOLDHILL U	12/31/2018 15:53

BCFD190101-000004	4662, FM3	FIALRSR-Residential Fire Alarm	FOURMILE U	1/1/2019 2:22
BCFD190101-000010		FICONR-Controlled Burn	BOULDER COUNTY	1/1/2019 7:23
BCFD190101-000026		FICONR-Controlled Burn	FOURMILE U	1/1/2019 13:30
BCFD190101-000037	2301, 4366, 4566, 4567, BM1, BR2, SS1	FIALRSR-Residential Fire Alarm	BOULDER COUNTY	1/1/2019 16:18
BCFD190102-000065		FICONR-Controlled Burn	BOULDER COUNTY	1/2/2019 7:31
BCFD190102-000072	4561, 4602, 4661, 4662, A8, AMRB, FM2, SS2	UNACCR-Unknown Injury Accident	FOURMILE U	1/2/2019 9:06
BCFD190104-000135	4603, 4661, 4662, 6563, FM2	INACCR-Injury or Rollover	FOURMILE U	1/4/2019 7:25

Board Meeting Jan. 8th 2018

Other Business

1. Transparency Notice needs to be filed by Jan 15th. Copy has been sent out and one was sent to Eric to be put on the web site. The notice is also supposed to be posted to:
 - a. Clerk and Recorder of Boulder County
 - b. Boulder County Assessor
 - c. Boulder County Treasurer
 - d. Boulder County Board of Commissioners
 - e. Division of Local Government
 - f. District's principal business office where it shall be available for public inspection
2. Based on November P&L the 2018 payroll expenses were \$1,596.58. For due diligence I wanted to make sure that SFPD was not losing money on flow of payments and payouts for Contract Fire Protection Services, Contract Services and Payroll Expenses. I pulled the data from 2011 through 2018:

Note: 2018 numbers are from Nov. so we're probably missing some disbursements which will lower the amount of net proceeds shown.

Year	Contract Fire Prot. Serv.	Contract Serv.	Payroll Exp.	SFPD Net
2011	\$96,661	\$76,803	\$0	\$19,858
2012	\$221,202	\$171,752	\$0	\$49,450
2013	\$143,642	\$138,077	\$1,745	\$3,820
2014	\$58,338	\$36,175	\$0	\$22,163
2015	\$90,062	\$88,440	\$0	\$1,622
2016	\$42,941	\$34,370	\$1,028	\$7,542
2017	\$82,402	\$76,742	\$66	\$5,594
2018	\$160,747	\$135,188	\$1,597	\$23,963
Total	\$895,996	\$757,548	\$4,436	\$134,012

Obviously, we're not losing any money.

3. There was an Other Business item from April, 2018 where we discussed retained earnings and how to formalize a process to determine what amount should be set aside on a yearly basis. Historically we have held \$107,967.55 in retained earnings. I'm not sure how that amount was arrived at. From the YE Balance Sheets:

Year	Unappropriated/ Capital Reserve	Retained Earnings	Unallocated
2011	\$113,746.13	\$107,967.55	
2012	\$182,295.59	\$107,967.55	
2013	\$195,270.52	\$107,967.55	
2014	\$212,238.74	\$107,967.55	
2015	\$234,756.41	\$107,967.55	
2016	\$262,990.93	\$88,887.52	-\$13,803.06
2017	\$291,771.30	\$107,967.55	

The net of that discussion was to set aside, in retained earnings, an amount that was equal to one year of non-discretionary expenses based on the yearly budget. Calculation for that amount, based on the 2018 and 2019 budgets is given below:

Expenditures:	2018 Budget	2019 Budget
6000 · General & Administrative		
6050 · Bank Charges	\$10	\$12
6100 · Dues and Subscriptions	\$1,000	\$1,000
6110 · Externally Supported Events	\$0	\$0
6350 · Grounds and Building Maint.	\$3,500	\$3,500
6410 · Insurance	\$16,000	\$16,000
6430 · Legal & Accounting	\$2,500	\$2,500
6500 · Office Supplies	\$150	\$150
6520 · Printing & Reproduction	\$500	\$500
6660 · County Treasurer Fee	\$0	\$0
6700 · Utilities	\$4,500	\$4,500
Total 6000 · General & Administrative	\$28,160	\$28,162
6101 · Operating Expense		
6080 – Contract Services	\$75,000	\$100,000
6150 · Equipment - Non-Capital	\$5,000	\$5,000
6155 · Fire Fighting Expense	\$1,000	\$1,000
6460 · Machine Hire	\$200	\$200
6465 · Fire Marshall Services	\$0	\$0
6560 · Payroll Expenses	\$500	\$500
6600 · Repairs and Maintenance	\$12,500	\$12,000
6620 · Special Event Expense	\$1,000	\$500
6650 · Training and Education	\$7,500	\$7,500
6720 – Wildland Mitigation Expense	\$34,000	\$53,500
Total 6101 Fire Department Operating Expenses	\$27,700.00	\$26,700
6200 · Capital Outlay		
6070 · Capital Lease Expense	\$0	\$0
6071 · Capital Lease Expense: Type 6	\$0	\$0
6201 – Equipment	\$10,000	\$12,500
6204 – Buildings	\$0	\$0
6207 – Equipment – CSDP Safety (Radios)	\$0	\$0
6400 · Interest Expense	\$0	\$0
6730 – Water Supply Improv. Expense	\$72,000	\$69,300
Total 6200 · Capital Outlay (Non-Discretionary)	\$0	\$0
Total Fire Department Non-Discretionary Expenses	\$55,860	\$54,862

The question, as it relates to capital expenditure, is how to handle lease expenses. Since lease expenses are non-discretionary, should those expenses be part of the calculation. Obviously it's a moot point right now but will become a very important point when we purchase a fire apparatus that results in lease expenses. The effect of how we handle retained earnings will become more evident when we get into the capital reserve plan.

- Let's try to review the Capital Reserve budget and purchase of capital equipment. I have taken the straight forward example of replacing our current mix of apparatus and PPE and SCBA at their current quantities and defined service life. The file is attached.