

**Minutes of the Regular Meeting of the Board of Directors of the  
Sunshine Fire Protection District  
July 13, 2021**

Call to Order

The meeting was held at Station 1.

The meeting was called to order at 7:31 PM and quorum was established. See Agenda below.

Attendance

Board Members Present: Alan Kirton, Cathy Shoenfeld, Dan Fischer, Dick Smith, Jean Gatza

Board Members Absent:

Others Present: Chief Michael Schmitt

Approval of Minutes

- Minutes from the June Board meeting were reviewed, no issues were found.

MOTION: To approve June Board Meeting Minutes was seconded and carried, Gatza abstaining

Treasurer's Report

- Treasurer's report was reviewed.
- There was discussion regarding credit card payments, equipment maintenance and equipment, water to fill new cistern, grant reimbursement for fire break, cistern equipment and installation expenses. Discussion of chipping schedule and potential for providing incentives.

MOTION: To approve June Treasurer's Report was seconded and carried unanimously.

Fire Chief's Report – Deputy Chief reporting verbally

- We've had some "awesome" training happening in-person, pumping practice, some need for engine repair. Water practice coming up.
- We are entering the pump certification part of the year to certify each firefighter.
- Received notification from the State that we are on the priority list for a replacement truck.
- Update on schedule for new engine.

Other Business

- CR 83 Community Cistern is fully installed and operational. Many volunteers,
- Received Forest Restoration Grant, partially awarded Grants (see agenda for details).
- Expenses needed to outfit the new engine- pushed to Sept. and that is when progress payment on the engine is due. A. Kirton suggested looking into next grant cycle and discussion was around phasing for equipment purchase.
- Truck completion is anticipated to be early October at this time but may change.


- Discussion of financing payment. It would be nice to know if we decide to finance after delivery, determine if we can finance but pay the term early (how much advance notice). Recommendation is to pay what we can afford (all but \$100K) and finance the rest.

MOTION: to authorize the financing of \$100,000 for the purchase of the new truck. Motion passes unanimously.

- Note that A. Kirton will be out of town the entire month of Sept. so there may a need to have other board members appointed for signatures for the President of the Board, while he is away.
- Question about CO State Legislative action that may affect revenues in 2022. Revenues may not increase as much as may have been anticipated, should these pass.
- Discussion of rescinding SFPD's emergency declaration - There is confusion about the Governor's order. Most districts did an emergency declaration to be able to request payment from the state for certain expenses. Board members recommend leaving the order in place another few months to see what may happen with variants in the next few months.
- D. Smith researched options for firefighter pension plans. The most common is to contract with a Firefighters Group- FPPA. It is a central fund and they help with administration. Eligible for DOLA matching funding. Disadvantage is that they have a moratorium, not accepting additional applications, likely to continue for another year or longer. Discussed example from Sugarloaf, DOLA matching requirements. Issues can arise with solvency of the program and anticipated participation. Gold Hill example was discussed; independent fund and the state will match. Question about use of general fund \$ or need for specific mil levy to fund. All depends on the state budget for future match. Future board would incur administrative duties and responsibilities. Another option is LOSAP National program, with accounts set up for all firefighter and then up to that individual to manage. Can be used as an award mechanism for those with longevity already. Not eligible for state matching funds. Questions about attractiveness to firefighters for more near-term or long-term benefit. Most neighboring districts have some pension plan. Discussed potential of more near-term appreciation actions (e.g. awards, appreciation dinner). More discussion is needed around goals for firefighter recognition, attraction, retention; budget implications. Recommend continuing the discussion next month with the chief in attendance to clarify goals for reward/recognition.
- Planning for community fest – there are many new people in the district and it would be good to host a social event decoupled from the fund-raising. This year – do the gofundme effort again. Host an event that doesn't involve fundraising. Gatza and Shoenfeld will convene fest committee and report back next month.

Adjourned at 9:23 PM

**Attest:**

  
Jean Gatz, Board Secretary

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**Board Meeting July 13<sup>th</sup>, 2021, 7:30 PM**

Meeting will be held at Station 1

**Agenda**

**Review/Approve Minutes**

**Review/Approve Treasurer’s Report**

**Review Chief’s Report**

**Other Business**

1. CR 83 Community Fire Cistern update:
  - Cistern is now fully operational with all fire connections in place and ~18,000 gallons in the tank
  - We had a number of volunteers that showed up to help with traffic control during the delivery of the tank and the help with getting the tank into position. It was a long day for everyone.
  - We will call for final inspection once we have received and placed SFPD signage for the cistern
  - Abby Silver is going to lead the revegetation of the site with native grasses. Plan is to do that in Oct. with seed germination occurring in the winter/spring.
2. We have received the 2018 Forest Restoration and Wildfire Risk Mitigation Grant reimbursement of \$22,944. This was for the shaded fuel break along the driveway at 3701 SCD.
3. SFPD was partially awarded the 2021 VFA Grant. Award is matching grant with an award amount of \$5,300.97 going towards the purchase of a mobile radio and handheld radios for the new engine
4. We have identified ~\$15,000 in expenses to outfit the new engine; \$5k for communications (taking into account the VFA award) and ~10k for hoses. For B&P purposes we should probably plan on a total expenditure of \$25k to \$30k on top of the amount required to purchase the engine.
5. The chassis delivery date for the new engine has been pushed out from mid-July to first week in September. That is when the progress payment of \$121,373 will be due. They will provide instructions regarding the wire transfer for the payment. The truck completion is now anticipated to be early October but is dependent on the actual chassis delivery date.
6. We still need to settle on the amount financing we want for the new engine. Dan Fischer has verified that there are no origination fees for the loan and no penalties if we pay it off early. The table below gives the pertinent data for financing \$0, \$100k or \$150k of the engine purchase.

<b>Amt. of Financing</b>	<b>Term Length/ Payments per year</b>	<b>Total Down Payment (incl Chassis)</b>	<b>Annual Payment</b>	<b>Min. Capital Equip Reserve</b>	<b>Year of Min Reserve</b>	<b>Total Finance Charges</b>
\$0	N/A	\$498,448	\$0	\$93,574	2021	\$0
\$100,000	3 yrs/semi-annual	\$398,448	\$34,986	\$159,128	2021	\$4,957
\$150,000	3 yrs/semi-annual	\$348,448	\$52,478	\$191,905	2021	\$7,435

7. Discuss if/when we want to rescind SFPD’s emergency declaration. Potential resolution is attached.
8. Discuss Dick Smith’s findings regarding a Firefighter’s Pension for the fire district.
9. Other business?



Sunshine Fire Protection District  
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### Chief Report, Board Meeting 07/13/2021

1. We are entering the pump certification part of the year. While we had firefighters go through the driver taskbook in the first half of the year, we are going to certify each firefighter on our pumps in the 2<sup>nd</sup> half of the year.
2. We have been told by the State that we are now on the priority list for a replacement truck (2000 or newer) and will find out in the fall when the State knows its budget what that means in terms of timing.
3. It appears that there are additional delays with the new (Rosenbauer) truck. Alan Kirton will be able to elaborate on that as he was included in the email exchange. 4502 was repaired and is in service again. 4501 is out of service this week for some valve replacements and several other minor items.

## Calls

<u>Incident</u>	<u>Units</u>	<u>Problem</u>	<u>Response Date</u>
<a href="#">BCFD210608-006436</a>	4601, 4661, A25, AMRB, FM1, SS3	zSick (AE/EE)	6/8/2021 2:31
<a href="#">BCFD210611-006587</a>	ESU3	RELOSR-Rescue Lost Party	6/11/2021 12:44
<a href="#">BCFD210612-006641</a>	3121, 3122, 3124, 3128, 4561, A10, AMRB, BES1, ESU2, FM2, SS1	REWATR-Water Rescue	6/12/2021 17:07
<a href="#">BCFD210614-006726</a>	4532, 4561, 4566, 4652, A10, AMRC, FM2, SS3	EMSR-Medical Call	6/14/2021 15:09
<a href="#">BCFD210616-006804</a>	2301, FM2, GH2, SS2	FIASSR-Fire Assist	6/16/2021 8:22

<a href="#">BCFD210617-006855</a>	4632, A4, AMRD, FM2, SS2	EMSR-Medical Call	6/17/2021 14:11
<a href="#">BCFD210621-007012</a>	5404, A12, AMRD, GH1	EMSR-Medical Call	6/21/2021 18:16
<a href="#">BCFD210623-007070</a>	4661, 4662, FM3, SS1	FIODOR-Odor Inv Outside	6/23/2021 8:26
<a href="#">BCFD210623-007085</a>	4532, 4561, 4652, 4661, 5534, 5538, A12, A18, AMRB, AMRC, FM2, SL1, SS2	INACCR-Injury or Rollover	6/23/2021 17:36
<a href="#">BCFD210627-007266</a>		FICONR-Controlled Burn	6/27/2021 19:12
<a href="#">BCFD210628-007276</a>	4566, 4632, 4662, 5404, A2, AMRB, GH2	zStroke (AE/EE)	6/28/2021 9:04
<a href="#">BCFD210702-007454</a>		FICONR-Controlled Burn	7/2/2021 16:14
<a href="#">BCFD210704-007550</a>		FIINFR-Fire Information	7/4/2021 11:11
<a href="#">BCFD210705-007625</a>	4603, A12, AMRA, FM2, SS2	EMSR-Medical Call	7/5/2021 21:52
<a href="#">BCFD210711-007852</a>	4501, 4532, 4661, A5, AMRA, FM1, SS3	INACCR-Injury or Rollover	7/11/2021 15:39
<a href="#">BCFD210712-007910</a>	5461, GH1	FICAMR-Illeg/Unattend Campfire	7/12/2021 22:24

## Pension Plan/Service Award Options for Volunteer Firefighters

### **1) Contract with Firefighter and Police Pension Association (FPPA)**

FPPA is the primary central pension plan administrator for established volunteer fire departments. It provides a centralized service that works closely with DOLA to manage pension funds, actuarial audits of a district's finances and demographics, and pension payments. Departments make yearly contributions to their individual plans within FPPA. Requirements include establishing an SFPD Pension Board of Directors, adherence to DOLA rules and regulations (see Appendix), and whatever additional requirements and/or modifications that we would choose to add.

FPPA contact: Jacquette Tara 720-479-2310

Example fire district: Sugarloaf. Chief Goldman indicated that they contribute about \$20K/yr, which is matched by DOLA, based on a force of 56 volunteers. Monthly pension payment is about \$110 for 10 yr. volunteers and about \$200 for 20 yr. volunteers.

Advantages: A) Central Pension fund manager, SFPD not responsible for pension administration or investments (though we would have to track and verify that participants qualify each year and can be vested). B) Eligible for DOLA matching contributions. C) FPPA works with the district to ensure that the pension fund remains solvent down the road.

Disadvantage: FPPA currently has a moratorium on accepting additional Fire Districts into their pension program. The FPPA Board is awaiting introduction and passage of new legislation in the Colorado Legislature. The earliest possible time that SFPD could apply to this program would be 2024, if the legislation were to become law, and if FPPA then lifts the moratorium.

### **2) Establish our own independent pension plan**

It is possible for a Fire District to setup and run our own pension plan. This would require consultation with an attorney, establishing bylaws, investing and managing the funds, and handling the pension payments. DOLA does support this option, thus all of DOLA rules and regulations would apply, including establishing a Pension Board of Directors.

Example fire district: GoldHill established an 'in-house' pension fund in 2017. They contribute about \$2K/yr into a money market fund at a local bank. To date, they have no one receiving pension money. Chief Finn provided a copy the GoldHill Bylaws (see attached file). The bylaws give them the option of contracting with FPPA in the future, if they so choose.

Advantages: This option is probably the only currently available mechanism to establish a pension fund. It is eligible for DOLA matching contributions (with a yearly grant application).

Disadvantage: The amount of in-house work required would be substantial. We would need a fair bit of legal advice and document preparation. There is a higher risk of inadequate funding down the road if the fund is not carefully tailored to SFPD demographics and anticipated long-term volunteer participation.

### 3) Use Length of Service Awards Program (LOSAP)

This is also called the Heroes program. It is a nationally-authorized program, but the rules and function vary a bit from state to state. It is not a pension program, per se, but is specifically designed to offer financial rewards to fire and law enforcement volunteers, based on length of service. LOSAP offers both defined contribution and defined benefit programs. The defined contribution portion is by far the most popular (according to Chad Alevras, the CO LOSAP representative). The latter involves setting up individual accounts for each volunteer. SFPD would contribute tax-deferred funds to those accounts based on pre-established criteria that we choose. The fund then becomes the property of the individual. From the Hero brochure: "A defined contribution plan defines the contribution the plan sponsor (sponsoring agency) makes to the participant's plan. The plan sponsor makes a contribution annually. The plan can be established as either a fixed LOSAP contribution or a variable LOSAP contribution, as determined by the plan sponsor. The plan sponsor contribution amount is based on the volunteer's annual qualifying activity. The plan sponsor is responsible only for the contribution amount, which is placed in the participant's LOSAP account. The LOSAP participant selects the investments from available investment options. The outcome of the defined contribution LOSAP retirement account is dependent upon the performance of the investments selected by the participant."

From the LOSAP representative:

What makes the HEROPLUS Program a preferred choice is:

- Incentive based account for your new and existing volunteers
- Fiduciary protection through Morningstar
- Mutual Funds with fully disclosed fees
- No Surrender Charges, custodian charges or sponsor charges
- Independent actuarial services
- Defined Contribution plan investment support provided by Morningstar Associates
- A stable value option for participants
- Personal Web-based fund performance

LOSAP Contact: Chad Alevras, 303-793-9319.

Example fire district: Estes Valley. Dave Wolff (Chief) and Erika Goetz, 970-577-0900.

See also example County Hill LOSAP plan as example.

Advantages: Criteria for service earned and amount of individual contribution would be determined by SFPD. LOSAP can be discriminatory, i.e., it can be used to award current volunteers who have already put in 20 years, or whatever length of time we determine, and the contribution does not need to be equal to contributions to others. For example, it could be used for a one time reward for a retiring volunteer.

Actuarial service is provided.

Disadvantage: Program is not eligible for DOLA matching funds.



## **Appendix (from the DOLA web page)**

### **DOLA Volunteer Firefighter Pension Fund**

As of July 1, 2004, the Department of Local Affairs (DOLA) became responsible for administering and disbursing the state contribution for state matching funds for the Volunteer Firefighter Pension Fund (VFP) state match program (CRS 31-30-1112). The Fire and Police Pension Association (FPPA) previously administered the program. This program is designed to help local governments provide a retirement benefit to attract volunteers. All volunteer firefighting entities, which provide a volunteer firefighter pension, are eligible to receive a state match. The entities must contribute funds generated from taxes (property, sales, S.O., etc.) which the state will match based on a statutory calculation.

### **Application Information**

Applications from eligible entities (see "Eligibility") are accepted annually from September 1 - October 31, to request a state match based on the entity tax contribution as described above.

The VFP online application will be available via the "Apply and Manage Application" button below during the application period.

Please contact program staff if you have questions, contact information is below.

### **Eligibility**

- Municipalities with a population under 100,000 that maintain a regularly organized volunteer fire department and that offer fire protection services
- Fire protection districts having volunteers and offering fire protection services
- County improvement districts having volunteer fire department members and offering fire protection services
- Counties contributing to a volunteer pension fund at one of the above

### **The eligible entities must have:**

- Active, pension-eligible volunteer firefighters
  - "Active volunteer": A volunteer firefighter shall maintain a minimum training participation in the fire dep't of 36 hours each year to qualify for benefits (31-30-1122(1)).
  - "Pension-eligible": A retired volunteer firefighter who has served twenty years and is over 50 years of age is eligible for pension benefit. If the firefighter is not yet 50, they may take a leave of absence until they reach that age. The local board may decide to pay a retirement benefit with less than 20 years of service if the municipality/District is actuarially sound. No matter what, you're not eligible for funds until after 10 years.
- Contributed tax revenue to the volunteer firefighter pension fund in the year prior to the application year.

### **Other Attachments**

FPPA Employer guide for volunteer fire departments, GoldHill Pension Fund Bylaws, HeroPlus Program Brochure, Country Hill LOSAP Plan.