

South Metro Fire Rescue Fire Protection District
Regular Board of Directors' Meeting Minutes
July 10, 2023

Present:	Jim Albee, Chair	Bob Baker, Fire Chief
	Renee Anderson, Vice Chair	Mike Dell'Orfano, Chief Govt. Affairs Officer
	Rich Sokol, Treasurer	John Curtis, Deputy Chief – Emergency Services
	Sue Roche, Secretary	Kristin Eckmann, Deputy Chief – Community Services (absent)
	Kevin Leung	Dillon Miskimins, CFO Business Services
	William Shriver	Camie Chapman, CHRO Employee Services
	Bruce Stahlman	Bob Cole, Legal Counsel

Others Present: SMFR Staff Members and Citizens

MEETING CALL TO ORDER

Chair Albee called the Regular Meeting of the South Metro Fire Rescue Fire Protection District to order at 6:02 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

All of the Board members were present in person.

APPROVAL OF THE AGENDA

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

PUBLIC COMMENT

Jerry Agenbroad, who resides at 1749 Primrose Drive in El Cajon, California & representing his son who lives at 1306 S. Parker Road, Unit 273, expressed concerns about the handling of a fire in the Club Valencia complex.

The Board directed Staff to research the events and to provide the Board with their findings. Legal Counsel Cole confirmed that any legal aspects should be discussed in Executive Session.

Chair Albee thanked Mr. Agenbroad for his comments.

CONSENT AGENDA

June 5, 2023 South Metro Fire Rescue Fire Protection District Regular Board Meeting Minutes
June 19, 2023 South Metro Fire Rescue Fire Protection District Special Board Meeting Minutes

A motion was made by Rich Sokol and seconded by Jim Albee to approve the consent agenda as amended on page 2 of the June 5, 2023 meeting minutes to read that bad debt expense is at 24.5% as compared to 22.3% in 2022. All were in favor and the motion carried.

DISCUSSION ITEMS

SMFR 2022 Audit and Annual Comprehensive Financial Report – CFO Miskimins introduced Accounting Manager Marina Takacs and Senior Accountant Natasha Zeldin, so the Board could put a face with the names and give credit to the

individuals who put together the document that the Auditor will be reviewing tonight. CFO Miskimins introduced Lisa Horn, a Director at FORV/S, the firm chosen to conduct the 2022 audit & who will be making the presentation tonight.

Ms. Horn provided an overview of the audit report, highlighting the following:

- Financial Statement Summary
- SMFR Fund Overview
- Journal Entries
 - Impact of Uncorrected Misstatements
- Categorizing Deficiencies by Severity
 - Financial Statement Finding 2022-001
 - Financial Statement Finding 2022-002
 - Financial Statement Deficiencies
- Future Accounting Pronouncements

In regard to the Financial Statement Finding 2022-001, Chair Albee added that theoretically the majority of the RHS liability existed all along and at the time the District modified the Retiree Health Saving Plan to provide a minimum balance upon separation from service, it triggered the RHS plan to be classified as OPEB in the ACFR and this liability was added to the balance sheet. The new liability amount was for the buyout portion of \$3M-\$4M. The audit recommendation was for the entirety of the liabilities be reflected in the financials.

At Director Stahlman's request, Ms. Horn stated that the Retiree Health Saving Plan was a pay as you go plan, so the liability has been there all along, but full liability and expense was recorded this year. Going forward the adjustment to the liability will be recorded annually and as the District continue to contribute to the employees plan and balances go up, the liability amount will start to decrease. CFO Miskimins added that there will always be some liability if this and the annual contribution are offered & the vast majority of the \$17M liability is because of the future annual RHS contributions made to the employees, not the buyout piece. Ms. Horn informed that Staff provided an action plan and that it outlined the appropriate action.

At Director Leung's request, CFO Miskimins replied that Staff caught several typos that will be corrected before it is presented for approval at the Board meeting on July 17th.

Ms. Horn thanked Accounting Manager Marina Takacs and Senior Accountant Natasha Zeldin for all of their work on the audit.

Chair Albee stated that the Audit Committee had the opportunity to go through the RFP process and felt very comfortable with Ms. Horn, Marcie Ardan and the team & believe they got the District to where we want to be. It was also important for the auditor to come and make a connection to the Board since the auditors are the Board's auditors. CFO Miskimins added that the organization has grown in its desire and necessity for a firm that could provide larger resources to apply to the audit. CFO Miskimins reviewed the prior audit forms and their duration, noting that SMFR was the largest government client for the prior auditor so the Committee looked for a firm that had more resources. Director Leung had a one-on-one with CFO Miskimins prior to the 2020 merger and supports having an RFP to look at options to make sure the firm is filling the needs of the organization. Ms. Horn informed that FORV/S is a top 8 firm and the prior auditor was a local firm. Director Shriver stated that our personnel were bringing in almost the same expertise as the previous firm and so the Committee looked for a firm with broader resources.

ACTION ITEMS

May 2023 Financial Statements – CFO Miskimins presented the financial statements executive summary:

- Fund balance increased by approximately \$2.5M compared to March bringing fund balance to a total of \$95.4M.
- Through May, the District has collected \$89.2M in property and \$4.2M in specific ownership tax revenue, which reflects 71.61% collection vs. 71.47% last year for property taxes, and 43.18% vs. 37.21% for specific ownership taxes.

- Through May, the District has expended \$65.6M in the General Fund related to operations or 40.16% of the annual budget.
- Ambulance transports have exceeded 2023 budget expectations by 406 transports, for total number of transports of 9,977 through May. The District's net revenue is \$864K over the year-to-date budgeted amount and \$1.4M more than the same period last year, though a large portion of this rise is due to increase in base fees. Total bad debt has increased in 2023 as compared to 2022. Through May this year, bad debt as a % of net revenue is at 23% as compared to 22.3% in 2022. Collections received as % of bad debt is at 6.6% through May this year as compared to 9.6% in 2022.
- Through May, the District has billed approximately \$1M in Plan Review Fees or 44.3% of the total budgeted amount.
- Through May, the District has expended \$7.3M or 41.89% of our total budgeted expenditures in the Capital Fund.

At Director Sokol's request, CFO Miskimins stated that the Medicare supplement typically is received in September but should know the amount a month or so before it is received.

At Director Sokol's request, CFO Miskimins stated that Staff will have a couple of budget revenue and expenditure scenarios to present at the first budget workshop next week. Director Anderson stated if the Governor's office would release the relief information, it would be helpful.

At Director Anderson's request, CFO Miskimins stated that he will come back to the Board with information on the plan reviews that have been billed so far this year.

At Director Stahlman's request, CFO Miskimins reported that as a part of the Staff's monthly financial review, most of the expenditure variances are due to timing differences. There are a few like overtime for Staff is seeing a notable decrease, which is a real trend, but the \$209K variance for physicals is a timing issue. Staff will continue to skim the financials and provide anything notable on the executive summary.

At Director Sokol's request, CFO Miskimins reported that a change in how vacation days are accrued and more personnel on line have affected the minimum staffing OT. Chief Curtis added that the changes to the picking and scheduling of vacation is much more efficient. CFO Miskimins stated this is the first month that the minimum OT-Reimbursable was separated out, which is the time that we have paid deployed employees with the expectation of reimbursement.

At Director Anderson's request, Budget Manager Takacs stated that the apparatus listed on page 12 are for the radios and other items that need to be ordered ahead of time.

A motion was made by Rich Sokol and seconded by Renee Anderson to accept the May 2023 Financial Statements as presented. All were in favor and the motion carried.

Colorado Special Districts Property and Liability Pool Repayment Agreement – CFO Miskimins reminded that through the District's 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, 2023 to June 30, 2024. The District's governing body needs to execute the agreement, as they have done in previous years.

At Director Sokol's request, Budget Manager Takacs stated the pool's repayment amounts to between \$90 - \$100K.

A motion was made by William Shriver and seconded by Kevin Leung to approve the Colorado Special Districts Property and Liability Pool Repayment Agreement as presented. All were in favor and the motion carried.

INFORMATION ITEMS

Incidents & Events – Deputy Chief Curtis provided a recap of the following events:

Chief Baker stated that Chief Curtis is also going to talk about the Valencia Fire, excluding any legal aspects of information requested in the public comment.

- Valencia Fire: The building is a center hallway construction that is not open to the outside, making any fire complicated. If the fire gets going and the main door is open to the unit, all of the smoke will go out into the entire hallway. The demographic is also difficult, the crews know that and based on the nature of the conditions, chose to force doors to confirm no one was protecting in place. This could cause smoke to infiltrate the other units. Chief Tasker added that the Chief on the floor made the decision based on conditions. He can't speak to whether the doors were unlocked on the first floor but noted that all of the units have different locks. Both agreed that the decisions made were appropriate.

At Director Roche's request, Chief Curtis confirmed that the procedure is "try before you pry".

At Chair Albee's request, Chief Baker recommended the Board to allow Staff to meet tomorrow to discuss what occurred, get the details and bring the communication back to the Board.

- July 4th – Fortunately, this year's weather pattern kept things pretty slow. Type 3 Brush Engines were staffed and in place from July 3rd through the 4th, to be available to put out grass fires. Some of the firework shows were postponed but will be upstaffing for when those are rescheduled. There was one house fire caused by the improper disposal of fireworks. Crews did a good job of controlling the damage to the second house even though the first house was pretty much a total loss.
- Tornado Recap – A copy of the Emergency Communications 2023 Highlands Ranch Tornado Communications Report created by Emergency Communications Manager Chris Carnahan was distributed to the Board. The Incident Dispatch Team (IDT) went out to Bennett the night before to assist with three vehicles that had washed off the road and then the next day the tornado touched down and continued to be very busy in the aftermath. Luckily the damage was mostly cosmetic but kudos to the Dispatchers for fielding the large amount of calls and the resource management of the Operations group. This was one of the first times calls were waiting in the que for crews to respond. The Operations Chiefs were also out helping where they could. A job well done by all.

Director Anderson reported what a great job that Douglas County did to get everything cleaned up and start moving it out of the way so that emergency vehicles could get through. CFO Miskimins stated that there was approximately \$30K in damage to the stations.

At Director Leung's request, Chief Curtis stated as far as lessons learned, we plan for these things all the time and have good working relationships with the surrounding agencies to receive and give aid when needed. There are policies in place and the crews & dispatch train, practice, as well as have experience handling these events. Chief Tasker added that the tornado affected West Metro and Castle Rock's districts also, so everyone is willing to help out. Director Leung thanked them for all that they did as there was a lot of damage in his district. Director Anderson stated that one of the lessons learned is to have citizens get involved and get the word out to those who are following us so they can let their neighbors know. Director Leung stated that he did see SMFR's messages via Twitter and Facebook.

- Station 15 Closure – Staff is still trying to extract some of the hard data. Chief Tasker reviewed the events and response times for a couple of large fires that occurred as soon as the station was closed adding that if there was a station that needed to be closed that was the best because it is close to the core and easier to cover by the other stations. As soon as Staff is able to get a better grasp on the new Elite system, they will be able to give more details and response times. So far, nothing has come up that is way out of compliance.

IGA Update – Chief Dell’Orfano reported that there were no IGA’s signed since last month.

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

- Chief Baker stated that starting on Wednesday, he will be on vacation, taking one week of bereavement leave, and administrative leave until August 28th. The last week he will be at the Redmond Symposium along with Chiefs Curtis, Eckmann, Powell, Wellness Director Macklin, Learning/Develop Manager Bartley and members of the Local. The conference is about health, wellness & fitness. While he is at the conference, Chief Dell’Orfano will be the acting chief. The ETeam will be acting as a group to cover any issues that arise.
- Chief Baker referred to his message regarding Chief Adams’ retirement that outlines how Chief Adams’ areas of responsibility will be structured through the end of the year while figuring out where we go from here.
- Director Leung informed that he participated in the 4th of July parade in Highlands Ranch where he ended up walking with two firefighters and how people were high-fiving and showing their love and respect for the organization & it was an awesome experience. Director Anderson stated in past years, Board members were not involved with the parade & this year she was able to walk with the HRMD Board. Director Leung stated that he also participated in the Castle Pines Village parade where we had two fire trucks. There were lots of children that wanted their picture taken with the trucks.
- At Director Sokol’s request, Chiefs Curtis, Baker and Tasker explained how the District was feeling a lot of strain responding to EMS calls in Denver and Aurora’s Districts, who contract for EMS services, so the mutual aid was terminated, with the exception of high acuity calls. Everything is amicable and the agencies continue to work well together. Legal Counsel Cole explained the legal interpretation of indemnification and its relationship to Tabor.
- Director Anderson reminded that the Annual SDA Conference invitation was sent out today via Sign Up Genius. HRMD is sponsoring her attendance.
- Director Anderson gave kudos to the District’s emergency planning regarding the 4th of July events. On July 3rd, when the storm was coming, HRMD decided early on that they would cancel fireworks because the majority of the fallen trees were in the two parks where people would have gathered to view the show and there was concern over how long it would take viewers to take cover, if needed.
- The Emergency Communications KPI reports for May and June 2023 were included the in the Board packet.
- Former Board Member Margaret Rakowsky was highlighted in the July Greenwood Village Newsletter. A copy of the article was included in the Board packet.
- A thank you letter was received from Arvada Fire expressing appreciation for Captain Tim Urban and Lieutenant Heidi Simon’s participation in their recent lieutenant promotion assessment.
- A thank you note was received from the CO NENA/APCO board expressing appreciation for Dispatch Supervisor CJ Bailes and Lead Dispatcher Angie Johnson for their presentation of “Complex Incidents – Before, During, After” at their 2023 state conference.
- A thank you letter was received for Tower 34, Engine 44, Tower 45, Engine 17, Medic 44, District Chief 1, Med 1, and Battalion Chief 3 for going above and beyond to make sure that she was okay when the unit attached to hers caught fire.
- Local 2086 President Dzengelewski:
 - Thanked the Board for attending the remembrance ceremony. Very important thing for all of us to remember those who gave the ultimate sacrifice. He thanked Chief Baker for reinvigorating it.
 - The Foundation’s 2nd Annual Whiskey Night is scheduled for July 24th at Brother’s Bar and Grill.

- Thanked the Board for approving the Heart Cancer Trust, which has been expanded to include mental health. The Local lobbied to have this trust created, which has benefited a lot of firefighters and fire departments.
- Firefighter Marshall Cloud left SMFR to work for the IAFF in Washington DC to represent firefighters as the EMS Transport Specialist. Taking the knowledge from here and he is now the person who is going to help other fire departments follow our model.
- Very proud of the education and training of our department as a whole, especially on the big calls. Confirms why we do what we do to provide the highest level of service to the citizens.

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 17, 2023 at 6:00 p.m. at the JSF, 17801 East Plaza Drive, Parker, CO. Director Stahlman stated that he will be in Michigan and unable to attend the meeting.

The first 2024 Budget Workshop will take place on July 19, 2023 at 12:00 p.m. at 9195 East Mineral Avenue, Centennial, CO.

The next Regular South Metro Fire Rescue District Board of Directors' meeting will take place on August 7, 2023, at 6:00 p.m. at 9195 East Mineral Avenue, Centennial, CO.

ADJOURNMENT

Chair Albee adjourned the meeting at 7:55 p.m.

Attested by: 

Date: Aug 7, 2023