

REGULAR MEETING
BOARD OF DIRECTORS
DE BEQUE FIRE PROTECTION DISTRICT

DE BEQUE FIRE HOUSE
JANUARY 13TH AT 6:00 PM

MINUTES

CALL TO ORDER: Meeting was called to order by Joe at 6:05 PM. Directors present were Joe Feeley, Karen Latham, Marge Mackey & Annette Tanner. Fire District staff present was Nick Marx, Fire Chief, and Forest Matis, FF/Paramedic, Ryan Rose, FF/EMT, Patrick Cole, FF/EMT, and Shanelle Hansen, Secretary. Guest present was Shannon Currier, Accountant. There were no public present.

ADDITIONS, CORRECTIONS OR DELETIONS TO THE AGENDA: None

APPROVAL ITEMS:

- 1.) Minutes from December 10th, 2013 –Karen corrected the spelling of Chris Endreson’s name, should be with an ‘o-n’ not ‘e-n’. Karen motioned to approve the Minutes with corrections. Annette seconded. Joe – Yes, Karen – Yes, Annette – Yes, Marge- Abstained. Motion passed.
- 2.) Minutes from December 30th, 2013 –Marge corrected a typo on 5th line of the back page. Marge motioned to approve the Minutes with corrections. Karen seconded. Joe – Yes, Karen – Yes, Annette – Yes, Marge -Yes. Motion passed.
- 3.) Expenditures for the month of December –Annette asked about the Sam’s Club Membership, why was the Plus membership purchased if no extra cards were included. Shanelle stated the Plus membership includes additional sales on items commonly used. The regular membership would not include those sales. Shanelle stated two cards come with the Plus membership and earlier shopping hours. They changed the rules to no longer offer a discount for additional cards under a company. Each person signing up pays the full amount of \$45 no matter if they sign up alone or under a company. Karen motioned to accept the December Expenditures. Marge seconded. Joe – Yes, Karen – Yes, Annette – Yes & Marge - Yes. Motion passed.

PUBLIC COMMENTS: None

OLD BUSINESS:

- 1.) Update on Financing Progress – Email from Larry Beckner attached. Joe reviewed the email, it stated Larry’s recommendations to proceed with Stifel Nicholas due to the fact he could not find a better interest rate with other institutions for the terms of a lease necessary to the Fire District. Karen asked if there has been any other communication from Larry about a more firm interest rate from Steve at Stifel Nicholas. No one had heard more from Larry since the email. Karen stated she thinks the Board has done its due diligence on this subject. Marge asked if the Board can decide to go with Stifel Nicholas, but wait on how much money we need to lease. Joe stated the Board needs to move forward with approving both the firm, Stifel Nicholas, and the amount to be leased, \$5.6 million. There was some discussion on the terms of the lease, the annual payment & the amount of reserves that could be put away each year. It was acknowledged there could be a future drop in revenues which

could result in it being hard to pay the annual payment. Joe stated if there is a drop in revenues he does not think there will be a 20% drop. Shannon stated she has two other Special Districts that have dropped in revenues between 29% & 35%. Joe clarified those Districts are located within areas that are mainly supported by residential and agricultural property taxes. The De Beque District is supported 97% by oil and gas assessed properties and only 3% residential/agricultural. This is why he does not see a significant drop in revenues the same as those other Districts.

Marge stated she thinks the Board needs to talk about the fire station and see if there are things that can be changed in it before the decision can be made on how much money the lease is going to be. Joe stated he thinks the Board needs to discuss the dollar figure and see if everyone is comfortable at \$5.6 million. Joe stated he feels the Fire District can afford the annual payment and the Fire District should build as much as possible the first go around and get the most bang for the buck. There was more discussion on the future prospects of natural gas, one being it possibly to be used as an alternative fuel for vehicles.

There was a picture of the fire station design presented with areas highlighted in yellow showing what FCI recommended cutting out to fit within the \$5.6 million dollar budget. Those areas include all living quarters and the large community room and kitchen. Marge asked if it would be possible to cut out one of the drive thru bays, are all of the bays needed. She recommended bringing the employees in and deciding what is absolutely needed. When this building was originally designed there was money to build what was wanted. Now the money is not there to build the epitome of what everyone wanted so she thinks everyone should go back to the drawing table and decide what is NEEDED vs. what is WANTED. Nick stated there are no extra bays in this design, every truck the District owns will occupy a bay in this building. Joe stated the home currently located on the property can be a short-term substitute as housing for the employees. Marge asked how many trucks the District owns, Nick stated there are 12 vehicles. Marge asked about the mechanic's bay, Nick said that was going to be one bay that would also have a pit in it. The pit is no longer going to be there, it will be just a regular bay.

Joe stated in reference to the drawing the yellowed areas are generic space that can be eliminated. This was the easiest way to cut part of the building off and then build them back at a later time. Joe stated he does not see any reason why the bunkhouses should be added back in. Annette stated she feels the building should be built and the areas not yet needed should be built as a shell (not finished), it would save a ton of money in the future. Joe stated even building the building as a shell it would be better than the fire station they are currently in. He feels the question goes back to, "Does the Board think the District can debt service the \$5.6 million?"

There was discussion on the building floor plans, what was to be cut out and the layout. The design was edited by FCI based on getting the most building for the amount of money the District has to spend. Shanelle got up and stood in the audience and asked to speak as a taxpayer since she does not get time to talk as an employee of the District. As a taxpayer and an employee of the Fire District she is concerned about spending \$5.6 million on ½ of a fire station. Yes, the Fire District can afford the debt, but that is going to be for 20 years. She thinks it is unrealistic to think the Fire District could add more debt prior to paying that original debt off. The intentions of adding on the living quarters in a phase II within the next 5-10 years are not realistic when more money would have to be borrowed to do so and the

district is already at the max of the debt service with the original building lease. The bedrooms and living spaces just may have to wait 20 years to be built.

Shanelle stated she thinks a different fire station design that could be built in its entirety for \$5.6 million could save the District money over the long term as well as give the District a complete fire station instead of ½ of one for the same amount of money. Joe stated he is going to take objection to the statement the building was cut in ½. The cuts only reduced the building by maybe 20%. Joe stated this building is head and shoulders above what we have now - you can't get everything all at once. Shanelle stated you can if you build a more conservative design that is more affordable. Joe stated he does not want to keep being the devil's advocate but in everything he has spoken to FCI about all along they have a number at \$250 per square foot. If you truly want to reduce the cost of the building you need to reduce the square footage. Shanelle stated she understands that completely, it is economics and basic budgeting. If she was building her own house and had \$6 million in the bank she would build herself the best house she could build. Then all of a sudden if she no longer had that money in the bank, she would not cut out the sleeping quarters and kitchen - she just might need a place to sleep and eat. She would pare down the entire house so she could build a complete and functioning house to the amount of money she could afford to finance. She just does not see the fire district is going to be able to add on later. Joe stated the Fire District does not need to add on. The building proposed has the bays and office areas, the sleeping quarters are in the house already on the property. It is far better than what we have now. It would be nice to add on in the future but the Fire District can be effective without sleeping quarters. If we are going to talk about decreasing -- what are we going to decrease to? Marge stated that is what the Board needs to figure out.

Marge asked about the page showing a fire station Shanelle handed out to the Board. Shanelle stated that page is from a fire magazine she saw there in the fire station showcasing various different fire stations that departments from all over the country have built. She stated her thoughts were that particular fire station was built as a complete fire station for \$4.5 million. It may not be built to meet our specific needs but.....Joe stated that station is ½ the size of our fire station. Shanelle stated "Bingo! Size it down to something that would be complete." Nick stated that fire station does not have all the bays we would need. Shanelle stated she is not saying to build that particular fire station -- she is just showing that they can be built as complete fire stations for the money we have to finance. Joe pointed the \$18,000 sq. ft. building was built at \$250 per square foot for a total cost of \$4.5 million. Shanelle stated for the extra \$1 million we could add on the extra bay. Nick stated we would have to double the bays.

Joe stated everyone is well aware he thinks \$5.6 million is achievable. He would like to hear from the Board on what their target would be as a dollar amount, not so much the layout of the fire station and what is or is not going to be eliminated. In general terms lets work backwards. A \$5.6 million lease will cost \$440,000 a year. What dollar amount does the Board want to pay each year on debt service? Karen asked if the \$250 p/sq. ft. is what it will cost locally. Joe stated that is a number FCI gave them. Karen also asked how long the Fire Board feels the house would have to be utilized for housing. Joe answered as long as they have to. Shanelle stated 20 years or more. Joe stated that is an unfair statement. Saying it will be 20 years or more before the Fire District has any extra money to build is no more knowable than him saying there IS going to be extra money. We should not speculate the future, we can take cautions and try to prepare for what we will have to spend but to make blanket statements of having to keep the house for twenty years because there will never be

enough money to add the other rooms on' – that is unknowable. Shanelle stated it is also unknowable the Fire District will be able to afford the payment of \$440,000 for the next 20 years as well. Joe said that is not unknowable, it is based on the facts and the history of what the tax base of the District is. Going forward do you anticipate someone coming in here and yanking compressor stations and pipe out of the ground? Shanelle stated she anticipates the liberal government continuing to put additional restrictions on drilling and making it not financially feasible to continue to drill in Colorado. Joe stated that does not affect the infrastructure that is already established right now. He said there may not be additional infrastructure in the future – or if there is there may not be as much, but he does not think it is reasonable to say they are going to start removing infrastructure. Shanelle said this is not saying that either.

Marge asked what the house was going to be used for to begin with, she thought it was to be a training house. Annette stated that is what the house was bought for - was to be used as a training house. Nick said the house was also to be used for housing. Marge asked who the housing was to be for. Nick stated volunteers and the residency program. Marge asked if that was where we would train the guys in exchange for them working for the fire district. Nick answered yes.

Forest Matis, FF/EMT, stated from the audience the Fire District may have more money in the years to come, but the fact of the matter is no one is going to loan the District more money when the debt to income ratio is already up there compared to what is coming in. He stated he cannot refinance his house due to his own debt to income ratio. Will the fire district be able to build onto the fire station when they already have \$5.6 million in loan payments. Anyone looking at the numbers may just laugh, they won't let the District borrow more money until that debt is paid off in that 20 year span.

Karen stated the best scenario the fire district is looking at is borrowing the money and after 10 years ½ of the loan will be paid off. Then the Fire District can ask to refinance the loan for the money to add on to the building. We can just hope the finances are good enough in the future to be able to do this.

Joe stated when he talked to Steve Jeffers with Stifel Nicholas and Larry Beckner, they both made the point of borrowing the money now, when the interest rates are low cause no one knows what it will be 5 years from now. If it is 10% 5 years from now and we cut corners and don't build all we can build now then we will have to build it at 10% interest later or we wouldn't build it at all then. Shanelle stated that is her point – build all we can build now while there are low interest rates. This would save trying to build on at higher interest rates later. Why not build a more modest building in full now. From a taxpayer perspective would they look at the new station and make the statement, "For \$5.6 million there aren't even living quarters?" This is how she is looking at it and she has been involved in this process. She loves the original design of the building, she would love it if the Fire District could have it.

Karen stated she does not know if it is cheaper to build if the design were to change to two levels as opposed to being built all on one level. She also wants to be sure the station has enough bays to fit all of its equipment since that is the main reason for building. If the living quarters could be put above the offices, would that make a big difference. Joe said that is a good question for FCI, but based on the process he has been told the price is \$250 per sq. ft. – it does not matter if it is all one level or two levels, the total square footage of the building

is what counts. Nick stated if the Fire District is maxed out on what it can spend right now on the design with the living quarters eliminated, it does not matter if those living quarters are up, down or sideways, it will cost more money to build them. Shanelle said that is what we don't know for a fact, it is again just speculation. We have not even checked into it. Joe said the basics are if you want to cut the costs you have to cut the square footage.

Marge asked why not replace the all-purpose room and maybe another room that might not be necessary and make those bedrooms. Do we need four offices? Joe said function of the rooms should not be discussed tonight. We can name the rooms whatever we want at this point. For \$5.6 million that is the footprint of the building that we are going to get. If we want to get below \$5.6 million then we will need to start eliminating more of that footprint. Marge stated nothing is written down on what the square footage of each room is so we are just guessing at this point. Unless she has square footage in front of her, she has no idea what is being eliminated.

Annette stated it is proven fact that mechanical is one of the biggest cost items when building a new building. This diagram shows them cutting out the kitchen which is a lot of mechanical and they are also cutting out most all of the bathrooms, which are also mostly mechanical – they are cutting out rooms that will cost a lot of money to build. An exercise room is a shell, there are no mechanical components. Joe stated instead of the use of each specific room he would like to keep the discussion on the total square footage of the building. We can proceed to the uses when we get further down the road. Right now we are looking at getting the amount of money we want to lease and then the footprint of a building we can submit for bids.

Annette stated if FCI has cut the building budget down by cutting a ton of mechanical equipment. Joe stated FCI was given two parameters, one was to cut the costs and the second was to make it easier to build onto in the future. He thinks FCI has done a good job at shedding off big parts of the building while making it possible to add those parts back on later.

Forest Matis asked if FCI knows the ISO codes. Do they know what ISO ratings are? Joe stated he is sure they are aware of them. Forest stated if we are building a new station the Fire District is sinking a lot of money into and it turns out it does not count for ISO ratings due to the living quarters being in a separate house, then it will not help save the tax payers any money. Joe stated if the Fire District cannot afford to debt service \$5.6 million then it cannot afford \$6.6 million. Joe said he is trying to figure out the best way to build the other parts down the road. Forest stated the Fire Board should keep in mind what is going to be necessary for ISO ratings and what is going to be functional for not only us, but for the taxpayers. The better the ISO ratings our Fire District has, the lower the insurance rates the taxpayers will have. Joe said that is a good thing, but it is not going to translate to helping the budget.

Karen stated she thought the Fire Board had all agreed they can debt service the \$5.6 million. If that is so then we should ask FCI about building up and if that would save some money. Marge said maybe downsizing some of the rooms so there's not so much square footage. Can they even be difference sizes. Joe asked if we are shrinking the building, what we are shrinking it to. Marge stated she is saying maybe we don't even need the full \$5.6 million if the rooms can be made smaller and the square footage reduced. That is what she is trying to say. Joe asked what the shape of the building would be then. Marge said then we can

redesign it that is what she has been trying to say, but if the rest of the Board wants to go ahead and spend \$5.6 million without even trying to consider redesigning the building in order to get it all in one shot, then she doesn't know.

There was more discussion on having FCI come to a future meeting, the building design, square footage, future tax revenues, interest rates, etc. Basically going over and repeating what had already been said.

Marge asked if the Board agrees to the \$5.6 million then we can move forward with what we want to build for that money. Annette and Joe stated yes. Joe said that is what is going to drive the building we end up with.

Karen motioned to have Stifel Nicholas move forward with the \$5.6 million lease paperwork. Annette seconded. Joe – Yes, Karen – Yes, Marge – Yes and Annette – Yes. Motion passed. Joe asked Shanelle to have Larry prepare a Resolution to be approved in the next meeting.

Karen stated she will go back to DOLA and Chris Endreson and see what maybe they can do for us on the fire station design. The rest of the Board agreed to have her do this.

- 2.) Strategic Plan – Karen Latham – Karen asked Shanelle for the Fire District's logo so she could add that to the front page. Karen stated she is working on this Plan and is getting close to having it complete enough to hand out to the Board. She needs the Board to prioritize some of the goals of the Fire District. So far she has the background/historical information included so please edit as needed on that. She has the fire calls listed over the last couple of years with the % of EMS vs. Fire calls. She put down what services we offer. She does need a fire district map and also a map of the Town of De Beque. She would like the site locations of where we are at and where we are going to be. She would also like to add the pictures of those locations. She would also like to insert a list of the larger equipment along with pictures. We have a mission statement, do we have a Vision or Motto? She put in there some core values which are Service, Duty, Honor, Compassion, Integrity and Stewardship. She set up an organizational chart and will need some help with that to get it right. She is also setting up a timeline for the District and its goals.

Karen stated she referenced the Mesa County Fire Department evaluation. She also referenced the NFPA standards on what the Initiatives for our Strategic Plan need to be. They need to be specific, measurable, action oriented, realistic and time bound. She is still fleshing that out. Projects and Action Plans – one of these can be building the fire station and possibly adding a phase II in the future. Another can be updating the fire district's communications. She would also like to put the Budget in there.

She is hoping people will volunteer to help us with this Plan. She is at the point now where she needs information and input in order to move forward. She stated she will send out the draft copy of what she has put together so far. She asked everyone to take a look at it and mark it up if need be, she will not be offended. She stated she would like to talk to the employees at some point for their input.

- 3.) DOLA Program – Chris Endreson – Karen stated she received information from Chris and made a copy of his business card for each Board member. Chris asked if the District has the CCCD information. Karen stated she is not sure what that is. Chris stated he thinks the Fire District would be better off to go for the Energy and Mineral Grants. Karen said she told him

we have done that and not received anything. She is wondering if we could put his name on a grant where we are working with him, would that help us. Karen said she will call him back with information from FCI and will ask him to come to a Special Meeting or if not, then come to our next Regular meeting in February. If anyone wants to talk to him you can call him, but he is easier to get ahold of via email.

NEW BUSINESS:

- 1.) Potential Mil Levy Decrease – Marge Mackey – Marge said this subject was already discussed earlier in the meeting.

ACCOUNTANT'S REPORT – By Shannon Currier – Shannon reviewed the attached reports verbally. These are marked draft since there are numbers that have not been finalized for year end.

FIRE CHIEF'S REPORT – Nick handed out an outline of his report and reviewed it verbally. Nick also handed out a Year to Date Calls sheet showing number of calls from year to year since the District began. (Both Attached)

- 1.) Maintenance – No major maintenance, just routine daily maintenance.
- 2.) Training – Did FF1 JPR testing which is a follow up from last month. Did protocol testing which we have to do every year. This is put out by our physician advisor. This year it was a little more involved since now the whole region is on the State protocols. Did a FFII class for some and FFII class Review for others. The testing for that is coming up this month.
- 3.) Calls for December – 11 MVA's, 6 EMS and 3 Fire = 20 Total Calls.
- 4.) Took the Ladder Truck and the Tender down to have them pump tested at Clifton Fire Dept. They do this free of charge.
- 5.) House Update – The painting invoice and the flooring invoice both came in at \$50 less than what they originally bid. Will need some storm doors (4) on the home to help keep the cold air out. Nick said he could have Sport put them in. Karen suggested putting in some heavy duty doors. Nick asked about furnishings, has anyone found any? Joe said he would be happy to go to Habitat in Glenwood to see what they have if someone would get him a list of what is needed. There was discussion on the different places people could go to get stuff second hand and also what the Board wanted second hand vs. new. The fridge could be second hand, but the stove, washer and dryer should be new. Nick is not sure if the dishwasher works. If it does not, then it will also need to be replaced. Mattresses will also need to be bought new due to the threat of bed bugs. Marge suggested twin longs due to the fact a lot of our guys are tall. Annette asked how soon someone is going to be living there. Nick said there is one guy going to begin sleeping there right away as soon as the home is ready every 4 days. That is his shift, 4 days on and 4 days off. Joe stated he could get bed frames for twin sized beds. Marge stated she will price twin long mattresses. Nick said dressers and nightstands will also be needed. Joe stated those can be just as easily bought at American Furniture than at Habitat. Table and chairs are also needed - Joe said there are a bunch of those at Habitat. Nick said a couch and recliner – Marge and Joe both said these should also be new again due to bed bugs. Marge stated she can price a TV – what size? It was decided to get a 42 inch. With beds you need bedding. Marge stated she would also price washer/dryers.
- 6.) Grants – We did get awarded the Mesa County Federal Mineral Lease Grant. It is \$25,000 with a 50% match from the District of \$25,000. We also added the donation of \$1000 from Summit Energy giving us a total of \$51,000 to be used towards planning on the fire station.

PUBLIC/BOARD COMMENTS: None

SECRETARIAL ITEMS: By Shanelle Hansen –

- 1.) Meeting Dates and Times – This has to be approved by the Board each year. Marge suggested adding the day of the week, such as Monday or Tuesday after the date to eliminate confusion. Marge motioned to approve the dates and times of the meetings. Annette seconded. Joe – Yes, Karen – Yes, Marge – Yes and Annette – Yes. Motion passed.
- 2.) Meeting Posting Places – Karen suggested keeping the posting places the same as they are now. Marge motioned to approve the meeting posting places - the same as last year. Karen seconded. Joe – Yes, Karen – Yes, Marge – Yes and Annette – Yes. Motion passed.
- 3.) Newsletter – Annette suggested adding Nov. & Dec. to last page of meeting dates. Karen said she liked the blurb about the Strategic Plan and also the page write-up asking for Board Members.
- 4.) Sam’s Club Membership & Credit Card – Shanelle stated the membership is up and running but the Board had indicated in the December meeting they wanted to also sign up for a Sam’s Club Credit Card. She filled out the application for credit, but left out the Personal Guarantor information so the application was not approved. She asked why that was needed since we are a Fire District and a government entity. There is no one person who is responsible for the District. The Sam’s Club manager called their corporate office to see if an exception could be made. The answer was the same, without the Personal Guarantor information we cannot be approved for Sam’s Club Credit. Does any one of the Fire Board want to give their information as a Personal Guarantor? Shanelle stated she does not think it is necessary since she purchases the items for the Fire District currently as Sam’s Club with the Fire District debit card. The rest of the Board agreed to leave it at this point.

ADJOURNMENT: Karen motioned to adjourn the meeting. Annette seconded. Joe – Yes, Karen – Yes, Marge – Yes & Annette – Yes. Motion passed.

Approved by the De Beque Fire Protection
Board of Directors on Feb 10th 2014.


Joe Feeley, Chairman / President

Minutes Transcribed & Typed by:


Shanelle Hansen, District Secretary

