

RECORD OF PROCEEDINGS
FOR THE
COLORADO RIVER FIRE PROTECTION DISTRICT
BOARD OF DIRECTORS
JUNE 18, 2018
STATION 41, 1850 RAILROAD AVENUE, RIFLE CO 81650

The special meeting was called to order by Chairman Lambert at 8:00 a.m. The Pledge of Allegiance was said, and a moment of silence was given.

Roll Call:

Board Members Present:

Matt Weisbrod, Vice-President
Alan Lambert, President/Chairman
Levy Burris, Director
Addy Marantino, Secretary
Paige Haderlie, Treasurer

Others Present:

Rob Jones, Fire Chief
Dino Ross, Legal Counsel (Via Telephone)
PJ Tillman, Financial Manager
Orrin Moon, Prevention Division Chief
Mike Scott, EMS Division Chief
Leif Sackett, Operations Division Chief

ADDITIONS/DELETIONS/CHANGES TO THE AGENDA:

Chairman Lambert asked for an addition to the agenda to discuss Strategic Planning dates.

Chairman Lambert stated that Attorney Ross has asked him to add an Executive Session to the agenda for follow up on information provided at the previous meeting held on June 12, 2018.

Attorney Ross joined the meeting at this time via telephone conference.

Discussion regarding a potential November 2018 election:

Chief Jones asked Attorney Ross to give an overview of the TABOR and Gallagher amendments. Attorney Ross provided a brief historical overview of the Gallagher Amendment, which amended the Colorado Constitution in 1982.

The Gallagher Amendment permanently set the State-wide tax burden at 45% for residential property and 55% for everything else. It also set the assessment rate for everything except residential property at 29%. In every odd year the Colorado Legislature is required to establish the residential assessment rate ("RAR") at an amount necessary to maintain the overall 45/55 tax burden split. When the Gallagher Amendment became law in 1982, the RAR was 21%. Due to the steady increase in home values, by 2003 the RAR dropped to 7.96. Then, in 2017, the

Colorado Legislature further dropped the RARE to 7.2% Current projections are that in 2019 the Colorado Legislation will further drop the RAR to approximately 6.11%. This almost 25% drop in the RAR in four years can have a significant adverse impact on local governments that rely heavily on property taxes. Fire protection districts often rely heavily on property taxes to fund their services. In 1992, the voters approved TABOR, which is another amendment to the Colorado Constitution. Since TABOR was enacted, the Colorado Legislature has refused to increase the RAR in seven re-assessment years because it believes that TABOR requires a prior statewide vote of the citizens before the RAR can be increased. As a result of the Colorado Legislature's position, the Gallagher Amendment has not worked as intended.

There has been considerable discussion among local governments and legislators regarding the TABOR/Gallagher Amendment problem; however, no solution has been identified. With no solution in sight, a number of fire protection districts are considering submitting a "de-Gallagherizing" ballot to their voters this November. The ballot would ask the voters for authorization to increase their mill levy to recover revenue they would otherwise lose if the Gallagher Amendment requires a further drop in the RAR. Attorney Ross' firm believes that the ballot must also require the fire district to reduce its mill levy to ensure it does not collect more tax revenue than it would otherwise be entitled to if the RAR is ever increased. If a fire district is considering a de-Gallagherizing election, it would be better to hold the election this November, while the RAR is at 7.2%. If a fire district waits until next November to hold the election, the RAR may already have been reduced to 6.11% and the de-Gallagherizing authority will be less beneficial. Attorney Ross stated that the Board has several options for the election this November: 1) do nothing; 2) only submit a de-Gallagherizing ballot; 3) only submit a mill levy increase ballot; or 4) submit both a de-Gallagherizing ballot and a mill levy increase ballot.

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Chief Jones states that Chief Staff has been looking at the logistics of getting any language on the ballot for November. Attorney Ross asked Chief Jones what percentage of the District's tax revenues come from residential properties. Chief Jones stated that he does not have that information. Financial Manager Tillman left the room to see if she could get that information from the County. Chief Jones stated that oil and gas revenue makes up 80% of the District's budget. Recognizing the cyclical nature of the oil and gas industry, the prior Boards and Chief developed significant reserves to carry the District through down cycles in the oil and gas industry, which is what the District has been experiencing. Given that the District still has over 9 million in reserves, the prior Board did not feel that it was necessary or appropriate to ask the voters for a tax increase. Extensive Board discussion followed.

Vice President Weisbrod agreed that the prior Board tried to manage the boom and bust cycle by maintaining reserves for lean years and adjusting the budget to reflect the available revenue. President Lambert asked if the public is aware of any of the District's efforts to maintain the budget? Chief Jones stated they have not been great at getting the word out in the community. President Lambert stated that, in his experience, similar ballot questions require a significant amount of leg work, at least a year to a year and a half year in advance of the election, and the District has to show it has a need through better communication with the public on department operations.

Director Burris noted that the oil and gas refunds that occurred this year were not anticipated and recalls that the last time the mill levy was considered was during the consolidation of Rile Fire Protection

District and Burning Mountains Fire Protection District. At that time, the Burning Mountains FPD mill levy was accepted for Colorado River Fire Protection District, which was lower than the Rifle FPD mill levy.

Financial Manager Tillman stated that with a decrease in the RAR estimated at 6.11%, the decrease in the District's residential tax revenue will be approximately \$145,000. Vice President Weisbrod stated this relatively small decrease in revenue would not seem to warrant conducting a de-Gallagherizing election this November. Vice President Weisbrod also expressed concern on "de-Gallagherizing" should the state find a solution to rectify the perpetual decrease in the RAR. Secretary Marantino asked Attorney Ross to clarify if the District does de-Gallagherize this November, would it be stuck at the 7.2% RAR if the state were to find a solution that enabled the RAR to increase? Attorney Ross confirmed that the District would essentially be tied to the 7.2% RAR even if the State found a solution.

Treasurer Haderlie stated that the District needs to form a strategy to work on educating the public so that the District can seek a mill levy increase at an appropriate time in the future. Treasurer Haderlie stated that the District should reach out to state representatives to have the conversations to facilitate a state option and work on increased education with the public. Treasurer Haderlie asked Attorney Ross if there have been successful de-Gallagherizing elections? Attorney Ross provided an overview of recent successful and unsuccessful de-Gallagherizing elections.

Treasurer Haderlie suggested the Board wait and see what the general feeling is from the Association of Realtors presentation about the Gallagher Amendment on July 10th and see what the level of support group may provide. If they are not in support it could be detrimental. Attorney Ross stated that the Board will need to make a decision on whether it wishes to hold an election in November by August 28, as that the deadline by which the District must sign a contract with the County to participate in the coordinated election in November.

Recess Meeting:

Chairman Lambert recessed the meeting at 10:03 am. Chairman Lambert reconvened the meeting at 10:12 am.

Strategic Planning Dates:

President Lambert asks Attorney Ross if he typically attends the Board's strategic planning meetings. Attorney Ross stated that he does not. Chief Jones recapped the Survey Monkey results on the available dates for the first Strategic Planning. Chief Jones also stated that, in the past, a written strategic planning document was not developed. The goal going forward is to have a document to publish and be available for reference. Chief Staff has started the process with surveys from the community and the department. Vice President Weisbrod asked for the community survey results prior to the strategic planning session. Following further discussion, the consensus of the Board was to hold the strategic planning meeting on July 9, 2018, from 6 pm to 10 pm. The meeting will be held at Station 64, 775 Castle Valley Blvd., New Castle CO.

EXECUTIVE SESSION:

Vice President Weisbrod moved to go into Executive Session to receive advice from legal counsel regarding personnel matters pursuant to C.R.S. § 24-6-402(4)(b) and (f). Director Burris seconded the motion. Secretary Marantino stated she will need to leave by 10:45 am, but will be able to return within 15 minutes. President Lambert stated he does not think the Executive Session will run past then. Motion passes unanimously. Attorney Ross certified for the record that the Executive Session will constitute an attorney-client communication and will not be recorded. The Board and Attorney Ross entered Executive Session at 10:25 am. Secretary Marantino left Executive Session at 10:50am.

The Board came out of Executive Session at 11:20 am. Secretary Marantino returns to the meeting at that time. Chief Jones also was present.

Vice President Weisbrod moved to authorize Julie Pate to investigate recent concerns expressed by Jennifer Taylor regarding her current worker's comp claim. Director Burris seconded the motion. Motion passed unanimously.

There being no other business to come before the Board, Chairman Lambert adjourned the meeting at 11:26 am.

APPROVAL

The forgoing Minutes, which have been approved by the affirmative majority vote of the Board of Directors of the Colorado River Fire Protection District, are a true and accurate record of the meeting held on the date stated above.

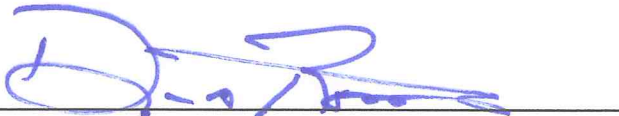
Date: 8/14/15



Date: 8/14/2018



I hereby attest that Executive Session, which was not recorded, constitutes privileged attorney-client communications.



Dino Ross, Esq.

I hereby attest that the Executive Session was confined to the topics authorized for discussion in Executive Session pursuant to C.R.S. 24-6-402(4)(b) and (f).



Alan Lambert, President