

**RECORD OF PROCEEDINGS FOR THE
COLORADO RIVER FIRE PROTECTION DISTRICT
BOARD OF DIRECTORS**

JUNE 23, 2020

STATION 41, 1850 RAILROAD AVENUE, RIFLE, CO 81650

The special meeting was called to order by Chairperson Lambert at 6:05 pm. The Pledge of Allegiance was said and a moment of silence was given.

ROLL CALL:

Board Members Present:

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

Others Present:

Randy Callahan, Fire Chief
Leif Sackett, Transitioning Fire Chief
Zach Pigati, Transitioning Wildland/Operations Chief
Scott Van Slyke, EMS Battalion Chief
Orrin Moon, Prevention Division Chief
John Gredig, IT Director
P.J. Tillman, Administrative Director
Dino Ross, Legal Counsel for the District
Gary Tillotson, Fire Chief of Glenwood Springs Fire Department

ADDITIONS/DELETIONS/CHANGES TO THE AGENDA:

None.

CONSENT AGENDA:

None.

PUBLIC COMMENT:

None.

NEW BUSINESS/ACTION ITEM REQUESTS:

a. Fire Chief/Operations/Administration: District Funding Research Review & Options

Fire Chief Callahan introduced Fire Chief Tillotson from the Glenwood Springs Fire Department to the Board of Directors.

Fire Chief Callahan stated that this is a Special Board meeting to discuss funding issues and funding options. Fire Chief Callahan stated that Chief Staff has put together a pros and cons list of the various funding options. Fire Chief Callahan informed the Board that Chief Staff has experienced some difficulties with proposing a budget solution, especially given the complexities of the COVID-19 pandemic.

Transitioning Fire Chief Sackett stated that there were many conversations discussed over the last few weeks. He informed the Board that Chief Staff proposed five funding options. They include (1) a November 2020 mill levy election, (2) a November 2020 de-Gallagherizing election, (3) a November 2020 mill levy and de-Gallagherizing election, (4) a November 2021 mill levy election, and (5) a status quo option. Furthermore, he stated that Chief Staff discussed the pros and cons of each funding option. Transitioning Fire Chief Sackett stated that Chief Staff is asking guidance from the Board of Directors on a funding option that best fits the District's present and future needs.

Transitioning Fire Chief Sackett stated that when the District formed a task force in September, the task force stated that the District should pursue a mill levy increase so that the District would not go back to the voters for a mill levy increase over the next twenty years.

Transitioning Fire Chief Sackett stated that if the November 2020 statewide ballot to repeal the Gallagher Amendment were to fail, Chief Staff has provided data that shows how the potential drop in the residential assessment rate (RAR) to 5.88% would impact the District.

Transitioning Fire Chief Sackett stated that a RAR of 6.11% was also calculated.

Fire Chief Callahan stated that the RAR 5.88% was for a worse-case scenario.

President Lambert asked if Chief Staff had a recommendation for the Board.

Fire Chief Callahan stated that there is no clear decision or recommendation from Chief Staff.

Attorney Ross stated that he could provide some legal framework for the discussion that might help the Board with their discussion. He stated that Staff is

proposing options to the Board given the feedback discussed after the results of the District's May 2020 election.

Attorney Ross stated that the Board will not need to make a decision on whether to conduct an election in November 2020 for another 60 days. At this time, the District can engage in an educational and feedback process with the community to help the Board make a final decision. Attorney Ross stated that a mill levy increase is subject to TABOR and that is restricted to November elections in an even or odd year. He stated that the District could coordinate with the County's November election or the District could conduct a separate, stand-alone mail ballot election in November. He stated that the District cannot conduct a polling place election in November a TABOR ballot issue election must be conducted by mail ballot or as part of the coordinated County election.

Attorney Ross stated that it would be much more expensive to do an election separately than coordinating with County. He stated that he is simply laying out the District's legal options and is not judging which option is better or worse.

Attorney Ross stated that in 2021, the only option for the District is the odd year November election, either coordinated or independent.

Attorney Ross stated that in, legal counsel's opinion, a de-Gallagherizing election, is subject to some, but not all, of TABOR's requirements.

President Lambert stated there is a concern with de-Gallagherizing when the State will already have a ballot to repeal the Gallagher Amendment as part of the November election. He stated that it might not work in favor of the District.

Attorney Ross stated that having two different ballot questions concerning the Gallagher Amendment could confuse voters, especially without educating the public.

Transitioning Fire Chief Sackett asked Treasurer Haderlie if the value of homes were leveling off.

Treasurer Haderlie stated that is correct for the homes in Battlement Mesa. She stated that the value of homes for Rifle, Silt, and New Castle have gone off the charts right now.

Treasurer Haderlie stated that she believes inflation could be rapidly setting in because there is a huge demand and no new supply.

She stated that the effects of COVID-19 have caused a huge mass of people to leave the big cities. She stated that in her office, they have about 60 homes under contract and about 40 percent of those are from out-of-state buyers.

Treasurer Haderlie stated that there are some HR issues circulating around the concept of working from home due to the challenges presented by the COVID-19 pandemic. She stated that there are many changes occurring and most people are establishing the conditions necessary to work from home.

Treasurer Haderlie stated that until there is sufficient data, she does not know.

Attorney Ross reviewed with the Board the Senate Concurrent Resolution that was passed by the Colorado Legislature that will submit the ballot to repeal the Gallagher Amendment to the voters in November. Attorney Ross gave an overview of the ballot language and what the voters will be voting on. Attorney Ross stated that it is unclear what impact, if any, a repeal of the Gallagher Amendment will have on those Districts that have already de-Gallagher zed.

Attorney Ross reviewed two examples of template ballot language for de-Gallagherizing that was used in 2018 to show the wide-range of approaches to the ballot language.

Fire Chief Callahan stated that he believes Grand Valley Fire Protection District will not be pursuing a de-Gallagherizing ballot measure. He stated that Glenwood Springs Fire Department and Carbondale & Rural Fire Protection District are still discussing their options.

Fire Chief Callahan stated that he has communicated with other city leaders about the November tax initiatives. He stated that the Town of New Castle had one ballot measure that their Council has removed from the November election.

Fire Chief Callahan stated that Chief Staff has been in contact with Paul Hanley. Fire Chief Callahan stated that Mr. Hanley had a successful Chicago-area group pass a significant capital initiative. At the same time, Mr. Hanley has other clients that are pulling out of the November election. Fire Chief Callahan stated that those who are pulling out of the November election are concerned about the uncertainties of COVID-19.

Transitioning Fire Chief Sackett state that Mr. Hanley stated that other districts have gone back for a mill levy increase but at a five to ten percent decrease of the original number. Transitioning Fire Chief Sackett stated that going at a lower

percent rate could result in the District pursuing another mill levy increase before twenty years.

President Lambert stated that the Task Force did not want the District to come back for another mill levy increase within twenty years.

Vice President Weisbrod stated that there was confusion over whether the District's May 2020 ballot would result in a perpetual tax increase every year. He stated that there was misinformation out there rather than accurate information.

Fire Chief Callahan stated that another suggestion is placing a sunset cap if the District goes back.

Fire Chief Callahan stated that a sunset cap may be appropriate for capital projects, but difficult for operational and personnel costs.

President Lambert stated that a huge issue was not having the opportunity to explain the ballot language and for citizens to properly campaign.

President Lambert stated that if the District pursues another mill levy increase, there needs to be a good citizen campaign in place.

Fire Chief Callahan stated that Chief Staff is moving forward with a zero balanced budget for 2021, unless the Board directs otherwise.

Vice President Weisbrod stated that he is unsure about being able to provide enough information to properly educate voters, as well as new residents entering the District. He stated that he is leaning towards option 4, or a November 2021 mill levy election.

President Lambert agreed and stated that he has been communicating with various community leaders and those who are used to dealing with taxpayer base budgets. He stated that pursuing another mill levy increase in 2020 will upset the public. He stated that pursuing another mill levy increase in 2021 can allow the District to educate its constituents and for the community to build up a strong campaign.

Vice President Weisbrod stated that many other districts are negatively impacted financially as well.

Director Burriss stated that he is in favor of listening to the guidance given by the District's constituents and demonstrating proper leadership by balancing the budget. He stated that he is in favor of moving forward with a potential election in November of 2021. Furthermore, Director Burriss stated that the District needs to

keep the amount of the mill levy increase being requested the same because the District needs to take care of its people and fluctuating the amount requested on a ballot will hurt the District's credibility.

Director Burriss stated that the District should not try to de-Gallagher in November 2020, especially with the given state ballot initiative to repeal the Gallagher Amendment. He stated that he is in favor of option 4, a potential November 2021 mill levy election. He stated that the District needs to work with a balanced budget and continue to serve the citizens with the services the District's staffing permits.

Treasurer Haderlie stated that there might be a different perspective to consider when determining the route for the District's funding needs. She stated that she is not in favor of municipalities picking at constituents until funding is given. She stated that the District will eventually show the public what services are feasible and until that time, the District will have more data and will have the appropriate time to know what path to pursue.

Treasurer Haderlie asked Attorney Ross what happens if the Gallagher Amendment is repealed in.

Attorney Ross explained that there is not a clear answer because there are other statutes based off of the Gallagher Amendment that would need to be addressed. In addition, repealing the Gallagher Amendment does not fix any TABOR issues.

Attorney Ross stated that the Colorado State Chiefs have urged fire departments to consider de-Gallagherizing this November because if the Gallagher Amendment is not repealed, the Colorado Legislature may reduce the RAR to 5.88% next spring. Then, that lower RAR would be the new "baseline" for any fire department seeking to de-Gallagherize in November 2021 or in subsequent years. Fire Chief Callahan asked Attorney Ross if it takes a 51 percent vote for a measure to pass on a statewide level.

Attorney Ross stated that he believes it takes just a 50 percent vote.

Fire Chief Callahan asked Attorney Ross if he knows of a group that is forming to go against this initiative.

Attorney Ross stated that he has heard of a campaign to oppose the repeal but has not seen anything yet.

Attorney Ross stated the he does not know of a District that successfully passed both a mill levy increase and a de-Gallagherization measure in 2018.

Secretary Marantino stated that she likes a combination of the funding options. She stated that she was not sure if the District should put the District's issue on the ballot or not. She stated that either way there is going to be an ballot on the Gallagher Amendment in November and that it is important for the District to support the State's initiative and/or the District's initiative. She stated that the District has to educate the public within the District's region.

Secretary Marantino stated that she too is a little worried with upsetting the constituents if the District went for a November 2020 election. She stated that there is a large population that the District has not hear from. She stated that the District could pursue all funding options, but each funding option requires the same amount of work.

Vice President Weisbrod stated that the District could opt to go for a mill levy increase and a de-Gallagherization measure. If the ballot initiative does not pass, it does not necessarily make the District worse off.

Secretary Marantino stated that the District should start educating and planning now to ensure the District is best prepared.

Secretary Marantino stated that she is not trying to offend any voters and that the District should go for funding option 1. She stated that the District could pull out at the last minute and pursue funding option 4. She stated that the District should continue to educate and communicate with the community as much as possible during this time.

Treasurer Haderlie stated that the District could do some educational pieces through various media forums.

Board discussion continued.

Vice President Weisbrod stated that the District should continue to update and educate the public, given the District's bandwidth.

Secretary Marantino asked if the Board could educate the public on the District.

Attorney Ross stated that the Board could send out educational information to the public; however, if the Board were to formally decide to conduct an election in November, the Board and its personnel could not use District resources to advocate or campaign for that ballot measure(s).

Fire Chief Callahan stated that the District is working on a partnership relationship to get a Strategic Communicator position with the skills and bandwidth to educate.

Attorney Ross discussed some of the formalities under the Fair Campaign Practices Act with respect to the election in November. He stated that there could be 60 days of educational time with the community before deciding whether to declare an intent to conduct an election in November 2020.

Transitioning Fire Chief Sackett asked when the District would be able to pull out if the Board decided to pursue a mill levy increase in November and then changed its mind.

Attorney Ross stated that the County may have more detailed information, but generally, the District could cancel very late in the process.

Fire Chief Callahan stated that the Strategic Communicator position is estimated to take a 90-day roll out time. He stated that this position is a critical need to help secure the funding required to serve the community.

President Lambert stated that the Board is leaning towards funding option 4, a potential November 2021 mill levy, with the intent to start educating now.

Fire Chief Callahan stated that the District is going to lose seven positions to attrition. He stated that no one will be laid off. The District is going to lose a response company, and there is a probability that a station will close down.

Fire Chief Callahan stated that there is an opportunity to build efficient staffing models that will be advantageous when the District begins to grow.

Board discussion ensued.

Preventions Division Chief Moon stated that Carbondale & Rural Fire Protection District passed their mill levy increase on their third attempt. He stated that it was after the Lake Christine Fire.

Wildland/Transitioning Operations Chief Pigati stated that the District should pursue a mill levy increase in November and educate. He stated that what worries him is that the District's personnel will continue to serve but at higher risks. He stated that the District can pull out of the election, if necessary, and still continue to promote and educate.

Fire Chief Callahan stated that Chief Staff is looking at staffing models to narrow down the risk levels, even though the risk levels keep expanding.

Director Burris stated that it is important to send out a clear message to the public of the continued risks the District is incurring.

Treasurer Haderlie asked Attorney Ross when the District would have to notify the County if the District was considering a potential mill levy increase in November 2020.

Attorney Ross stated that the District need to notify the County by July 26 and would have to enter into an election IGA with the County on either the 25th or 26th of August.

Attorney Ross stated that if the District were to conduct a separate mail ballot election, the deadlines would differ slightly because the District would not have to coordinate with the County.

Attorney Ross stated that the deadline for certification of the ballot is September 4, 2020.

Treasurer Haderlie discussed some media options as a way to engage and educate the public.

Attorney Ross stated that many municipalities and districts record their meetings and post them on their websites for public access.

Board discussed continued.

Fire Chief Callahan stated that he would bring a communication plan to the Board.

Vice President Weisbrod stated that he likes Secretary Marantino's stance on working towards a potential mill levy election in November 2020, engaging with the community and with more data, determine if the District wants to continue with an election or pull out.

Treasurer Haderlie asked Chief Staff if the line personnel would like to see the District pursue a mill levy increase in November 2020.

Transitioning Fire Chief Sackett stated that from a line perspective, he believes they are in favor for a November election in 2020.

Fire Chief Callahan stated that, in his personal opinion, he would like to see the District pursue a potential mill levy increase this November; however, he stated that he was not sure if that is the best strategic plan.

President Lambert stated that the Board needs to see more buy-in from the line.

Fire Chief Callahan stated that the crews were clearly informed that they could not get involved in the public campaign while on duty.

Secretary Marantino discussed the idea of incorporating a more active Board.

Fire Chief Callahan stated that he would like to ensure that any messages that the Board sends to the public are directly aligned with the District's message.

Vice President Weisbrod asked if the public was aware of the leadership transition within the District.

Fire Chief Callahan stated that the membership is aware of the transition and he is waiting for staffing model data to share the transition in leadership with the public.

Fire Chief Callahan stated that the District had a newspaper article that discussed the mill levy and attritional positions. Fire Chief Callahan stated that Chief Staff is working on a message to share with the public on what the mill levy results and attrition will look like.

Fire Chief Callahan stated that the District had a resignation last week and Chief Staff is working through that right now.

Treasurer Haderlie asked if Chief Staff knows how many years before the District runs out of funds if the budget remains the same.

Fire Chief Callahan stated that the budget Chief Staff brings forward may have low-risk reserve spending involved.

Treasurer Haderlie stated that having the budget numbers is crucial if the District wants to pursue another mill levy in November.

Treasurer Haderlie stated that the District has come a long way with its budget from two years ago. She stated that it may be too risky and unfeasible to obtain a balanced budget, but she does want to show the public that the District has made significant cuts.

Board discussion ensued.

Fire Chief Callahan stated that, a year ago, Chief Staff came to the Board stating that the District is facing an adaptive challenge of educating and creating a cultural shift in the community.

Treasurer Haderlie stated that whatever decision the Board makes; she will completely support that decision.

Secretary Marantino thanked Chief Staff for working hard.

Fire Chief Callahan thanked Secretary Marantino for her comment.

Director Burris stated that it has always been his philosophy that the Board make decisions together and in a supportive manner, regardless of differences. Director Burris stated that the public wants accountability. He stated that the District needs to educate and let the public know that the District needs to take care of its people to reduce risks and provide services. Director Burris stated that, no matter what decision is made, he will support it.

Vice President Weisbrod stated that with Board decisions, part of the District's messaging is geared towards trust. He stated that the District needs to do what it can to allow the community to trust the District.

President Lambert thanked the Board members for their comments. He stated that he is lucky to be a part of the Board and he is appreciative of everyone in the District.

ADJOURNMENT:

There being no other business to come before the Board, Chairperson Lambert adjourned the meeting at 8:20 pm.

APPROVAL:

The foregoing Minutes, which has been approved by the affirmative majority vote of the Board of Directors of the Colorado River Fire Protection District, is a true and accurate record of the meeting held on the date state above.

Date: July 14, 2020

Sh. M. Lambert

Date: 7/14/2020

[Signature]