

Evans Fire Protection District
2014 Budget Book





Evans Fire Protection District

Board of Directors

Mary Achziger, Board President

Seated on Board through 2016

David W James, Vice-President

Seated on Board through May 2014 election

Tricia Watson, Treasurer

Seated on Board through May 2014 election

Director Steve Bernardo

Seated on Board through 2016

Director Marty Schanwolf

Seated on Board through May 2014 election

District Staff

Warren D. Jones

Fire Chief/Chief Executive Officer

Jay Deibel

A Shift Captain

Brian Eckstine

B Shift Captain

Ryan Fuller

C Shift Captain

Lance Homann

Training Captain

Sharon Bowles

Administrative Assistant



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October 28, 2013

Honorable Board President, Directors, Citizens and Members,



It is our pleasure to present the 2014 budget for the Evans Fire Protection District (EFPD). This budget represents the third year of full District operations as an independent organization and the second year with full funding from 15.5 mills of property tax and City Intergovernmental Agreement (IGA) contribution as outlined in the approved Service Plan. In accordance with the Service Plan, this budget continues the IGA with the City of Evans for the majority of the administrative services. Most importantly, this budget continues the progress we've made with service level and support improvements approved by the voters in the formation of the District and approval of 5.5 new mills of property tax. From this strategic position, the 2014 budget builds on the budget objectives of 2013 as shown below.

1. **Establish and fund a capital replacement program (fire truck and breathing apparatus).** For 2014 the capital fund contribution is set at 6% of revenues; future contributions of 5% are scheduled in the Long Range Plan. This contribution amount provides for the long-term replacement of our major fire apparatus and replacement, in 2017, of our self-contained breathing apparatus system. It also begins a long-term major facility repair and expansion program.
2. **Increase on-duty staffing.** The 2014 budget includes the addition of one part-time firefighter for a total of 10 part-time firefighter positions. This will allow us to continue to improve on-duty staffing.
3. **Increase maintenance and replacement of equipment.** The vehicle preventive maintenance program and equipment repair programs are fully funded. The Asset Management Plan is funded at program requests. In the 2013 Budget Book the Asset Management Plan included \$30,000 for replacement of a light vehicle. Earlier in 2013, EFPD was awarded a grant for the purchase of a natural gas light vehicle. This allowed the funds originally budgeted for the light vehicle replacement in 2014 to go towards the capital replacement fund.
4. **Maintain personnel compensation and benefits system.** The personnel system continues all compensation plans in accordance with the Service Plan and master IGA with the City. It fully implements the Skill-Based-Pay system for all non-exempt firefighters and officers. It increases the part-time administrative assistant to full-time and does not fund the vacant assistant chief position.

As described in the 2014 Budget Overview, almost every staff member of the District was involved in some way with the development of this budget. This is a balanced operating budget with \$2,185,895 in expenditures and \$2,201,518 in revenue.

In summary, this budget is a living and flexible document based on the most current financial principles and fully within the direction approved by the voters in the formation of the District. The five-year long range plan shows that the District will be financially stable and able to provide the level of fire protection and emergency services expected of a moderate risk suburban city of 20,000 citizens.

Respectfully,



Warren D. Jones
Fire Chief/CEO



Jessica Gonifas, CPA
City of Evans
Deputy City Manager

Providing fire and emergency services with Dedication, Compassion, and Excellence



2014 Budget Process

The budget process began in May with the formation of the budget committee which consists of the Fire Chief, Fire Captains, Finance Manager, Administrative Assistant and Directors Bernardo and Watson. All staff members who are responsible for managing District programs prepared information on their budget needs and presented this information to the committee. The District administrative and City finance staff prepared budget projections based on these requests and revenue estimates. Preliminary property assessed value information was provided by the Weld County Assessor in June and July with the Certification of Valuation issued in August. The full Board provided policy guidance to the committee in June and through preliminary periodic updates over the summer. The preliminary budget was presented in September and the Board did not make any substantive changes. New this year, a Program Budget format was developed to more closely tie resources to program results.





2014 Budget Overview

This 2014 Budget Book has been prepared to allow the District Board of Directors, citizens, and staff to clearly understand the finances of the District. This document is designed to answer the majority of questions related to the budget from a policy maker and citizen perspective. Budget direction is provided from the Board of Directors and the Financial Policies. It is the culmination of five months of work by staff, the joint staff/Board budget committee, and the Board. As in past years under the administrative services contract with the City of Evans, the Evans finance staff provided the bulk of the technical work.

The largest contributor to District revenue is Property Tax. The District assesses a tax payer approved rate of 15.5 mills. In 2014, the total assessed value reported by the Weld Assessor's office will be \$105,819,441. This generates \$1,640,195 in actual revenue. This is a four percent decrease from 2013, primarily due to lower prices for natural gas which is the predominate oil and gas extraction product in Evans. The second largest revenue category is the contribution from the City of Evans in accordance with the Service Plan and IGA. In 2014 this will be \$448,918. The remainder of revenue is contributed by specific ownership tax, an intergovernmental contract with the LaSalle Fire District and fees.



Attachment A, **2014 Budget Summary**, gives a clear snapshot of the 2014 budget. Attachment B, **Revenue and Expense Trends**, outlines the key budget areas for the previous year, current year and next five years.

For 2014, the personnel budget includes funding for full implementation of the Skill-Based-Pay system for all non-exempt full and part-time firefighters and officers. Attachment C, **Summary of Personnel Positions**, identifies the approved positions for the District as well as the Skill-Based-Pay system increments. Attachment D, the **Summary of Personnel Expenditures**, identifies the total cost to the District for all positions, including projected overtime and benefits.

Attachment E, **Volunteer Firefighter Stipends**, details the Volunteer Firefighter Program and the monthly stipends volunteer firefighters receive for their service.

Attachment F, **Summary of Supplies and Services Expenditures**, shows the District budget for supplies and services of \$408,287. To establish this budget, staff reviewed receipts from expenditures over the past three years to develop an accurate projection of 2014 expenditures. This figure also includes the budget for Board Operations & District Administration. New in 2014 staff developed a **Program Budget** format. The program budget format will be a new effort to more closely tie resources to program results. Details of the Program Budget can be found in Attachment G.



District staff has developed an **Asset Management Plan**, Attachment H, with the strategy of anticipating and funding the replacement of equipment with an approximate replacement cost between \$5,000 and \$100,000. Delaying the replacement of equipment can be extremely expensive in terms of lost productivity and high cost of emergency repairs. In 2014, the Asset Management Plan is funded adequately based on our current model.

Colorado Special District law allows fire protection districts to assess fees for certain services, including fire prevention related permits, plan reviews and inspections. The **Fee Schedule** shown in Attachment I is the same as the fees assessed for operational fire code permits by the City of Evans when the fire code was adopted and enforced by the City. Since all new development and building within the District is also within the City, the District does not assess plan review and inspections separately from the City building permit process. The District's portion of City fees for building and fire code related reviews and inspections for new construction are included in the IGA contribution to the District from the City. Revenue from these fees is expected to be very small.

Attachment J, **Key Performance Indicators** provides details on the key indicators of organizational performance.

At the end of this document is the **Budget Resolution**, Attachment L. After review of the 2014 proposed budget, the Board will be asked to formally accept this budget, including the mill levy as approved by the voters in November 2011. Also included for public information, in Attachment L is a copy of the Board of Directors **Financial Policies** which outlines the procedures to be followed in managing the District finances.

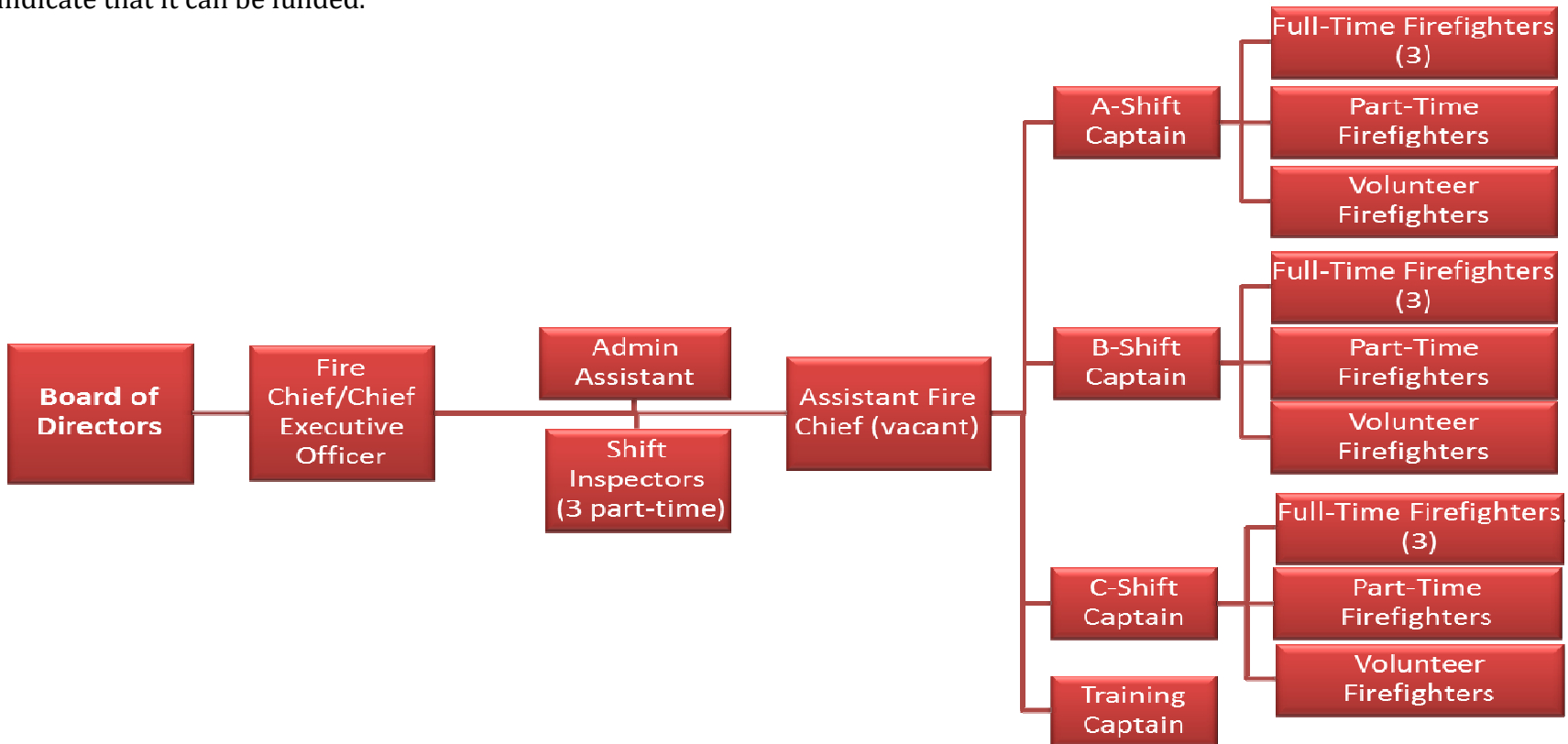




General Fund

Evans Fire Protection District Programs

The Evans Fire Protection District provides emergency response services for fires, medical emergencies, rescues, hazardous materials releases, and natural & man-made disasters within the District. The District boundaries include all portions of the City of Evans except for a small area of the City south of the South Platte River which is in the LaSalle Fire Protection District. It also provides training and limited fire prevention and emergency management services. In 2014, the District will have 15 full-time employees, 10 part-time employees and 20 authorized volunteer positions. The District organization chart is shown below. The assistant chief position shown in this chart is vacant and will not be filled until revenue and expense projections indicate that it can be funded.



Service Areas

Emergency Response Operations – Includes direct 24/7 emergency response to fires, medical emergencies, rescues, natural disasters, hazardous conditions and citizen requests for assistance. This service area includes 12 paid firefighters and officers (three captains and nine firefighters), 10 part-time firefighters and officers, one training and volunteer coordinator (captain) and one assistant chief (vacant in 2014). Positions for 20 volunteer firefighters are authorized although not all positions are filled at any given time. Emergency response is provided primarily from Station 2 at 2100 37th Street. This station is staffed 24 hours a day, seven days a week with paid full-time and part-time firefighters supplemented by on-duty volunteer firefighters. Fire Station 1 located at 3918 Denver Street is not normally staffed and serves as a storage facility. It is occasionally staffed with volunteer firefighters and off-duty paid personnel. This service area includes the programs of emergency operations, training and volunteer firefighters. This service area is normally managed by the assistant fire chief although it is now managed by the Fire Chief until this position is funded.

Fire Prevention – Includes fire protection and related regulatory services. These include inspection of commercial buildings for new business licenses and new and renewed liquor licenses, plan review and construction inspections of new buildings, fire investigation, and public education. Much of this work is in cooperation with the City building and code enforcement personnel in Community Development. This unit is staffed by the Fire Chief, and three part-time firefighter/inspectors. It includes the fire prevention program.

Administration – Includes all administrative support for emergency operations, fire prevention, and emergency management. Current staffing includes the Fire Chief and full-time administrative assistant. Functions include general administration, planning, budget administration, human resources, information management, emergency management, and support for the Fire District Board of Directors. It includes the administration and Board of Directors programs.

Fire Explorers – The Evans Fire Explorer program offers young men & women, 14-21 years of age, the opportunity to gain practical knowledge and experience in a firefighting career. They train with, and become a part of, the Evans Fire family. Explorers train several times a month with the program and occasionally they participate in regular department trainings. They also engage in activities centered on learning basic emergency medicine, fire suppression & behavior, vehicle extrication, and fire prevention in a safe environment that fosters character development and leadership skills.

Fire District Key Performance Indicators

Below are four key performance indicators that demonstrate the overall value to the citizens and businesses of Evans. **Attachment J** shows these indicators compared to previous years and national benchmarks.

- Response time: Maintain a turnout and travel time from receipt of alarm from dispatch to arrival on scene within six (6) minutes for 75% of emergency responses.
- On-duty personnel: Maintain five (5) on-duty officers and firefighters 90% of the time.
- Citizen satisfaction: Maintain a 95% overall satisfaction of citizens who receive emergency services.
- Professional qualifications: Maintain minimum professional qualifications:
- all full-time line personnel Colorado Firefighter I, Basic Emergency Medical Technician, Hazardous Materials Operations and Car Seat Technician
 - all part-time line personal Colorado Firefighter I, Basic Emergency Medical Technician and Hazardous Materials Operations, and
 - volunteer firefighters Colorado Firefighter I and Hazardous Materials Operations



**Evans Fire Protection District
General Fund Long Range Financial Plan**

	2012 Actual	2013 Projected	2014 Budget	2015 Projected	2016 Projected	2017 Projected	2018 Projected
Beginning Fund Balance	(11,235)	997,655	523,347	538,970	554,684	516,630	410,484
Revenues:							
General Property Tax	600,441	1,708,627	1,640,195	1,656,596	1,673,162	1,689,894	1,706,793
Specific Ownership Tax	48,141	106,405	106,405	106,405	106,405	106,405	106,405
City of Evans IGA	1,421,916	440,375	448,918	457,897	467,055	476,396	485,924
Interest Earned	-	1,682	-	-	-	-	-
LaSalle IGA	6,242	6,000	6,000	6,000	6,000	6,000	6,000
Permit Fees	-	1,500	-	-	-	-	-
Grants	10,053	36,851	-	-	-	-	-
Lease Pur Proceeds	725,000	-	-	-	-	-	-
Miscellaneous	14,932	-	-	-	-	-	-
One time payments from Evans ¹	16,000	300,000	-	-	-	-	-
Total revenues	2,842,725	2,601,440	2,201,518	2,226,898	2,252,622	2,278,695	2,305,122
Total Annual Increase		1%	-16%	1%	1%	1%	1%
Expenditures:							
Board Stipends	6,068	6,513	8,679	8,679	8,679	8,679	8,679
Board Operations	96,902	84,874	84,874	73,382	78,964	74,553	80,147
Board Contingency	-	10,000	10,000	10,000	10,000	10,000	10,000
Total District Admin	102,970	101,387	103,553	92,061	97,643	93,231	98,826
		0%	2%	-11%	6%	-5%	6%
Operations Personnel	1,264,949	1,476,269	1,489,853	1,552,924	1,606,277	1,661,983	1,720,146
Operations Supplies & Services	330,742	352,915	323,413	326,538	329,709	332,928	336,195
Total District Operations	1,595,691	1,829,183	1,813,266	1,879,462	1,935,986	1,994,911	2,056,341
		1%	-2%	4%	3%	3%	3%
Asset Management Plan	97,174	86,938	45,325	37,892	55,616	90,750	100,750
Apparatus Replacement Lease	-	85,975	86,660	85,425	83,800	87,013	84,913
Total Operating Expenditures	1,795,835	2,103,483	2,048,804	2,094,839	2,173,045	2,265,906	2,340,830
Total Annual Increase		1%	-4%	2%	4%	4%	3%
Contribution to Capital Fund	28,000	237,114	132,091	111,345	112,631	113,935	115,256
Contribution to Training Facility Fund	10,000	10,150	5,000	5,000	5,000	5,000	5,000
Apparatus Purchase (lease proceeds)	-	725,000	-	-	-	-	-
Total Expenditures	1,833,835	3,075,747	2,185,895	2,211,184	2,290,676	2,384,840	2,461,086
Total Annual Increase		-1%	-29%	1%	4%	4%	3%
Excess Revenue Over (under) Expenditures	1,008,890	(774,307)	15,623	15,714	(38,054)	(106,146)	(155,965)
Ending Fund Balance	997,655	523,347	538,970	554,684	516,630	410,484	254,519
CT	997,655	-	-	-	-	-	-
Tabor Reserve (3% of revenue) ²	63,532						
Operating Reserve - 3 Months		525,871	512,201	523,710	543,261	566,476	585,208
Available Funds	934,123	(2,524)	26,769	30,974	(26,632)	(155,992)	(330,688)

¹ 2012 - Funding to reach labor reserve requirements, 2013 - Transfer related to decrease in City's required emergency funding.

² Tabor reserve is minimum reserve required until property tax transfer was complete at which time the operating reserve requirement exceeds the labor reserve requirement

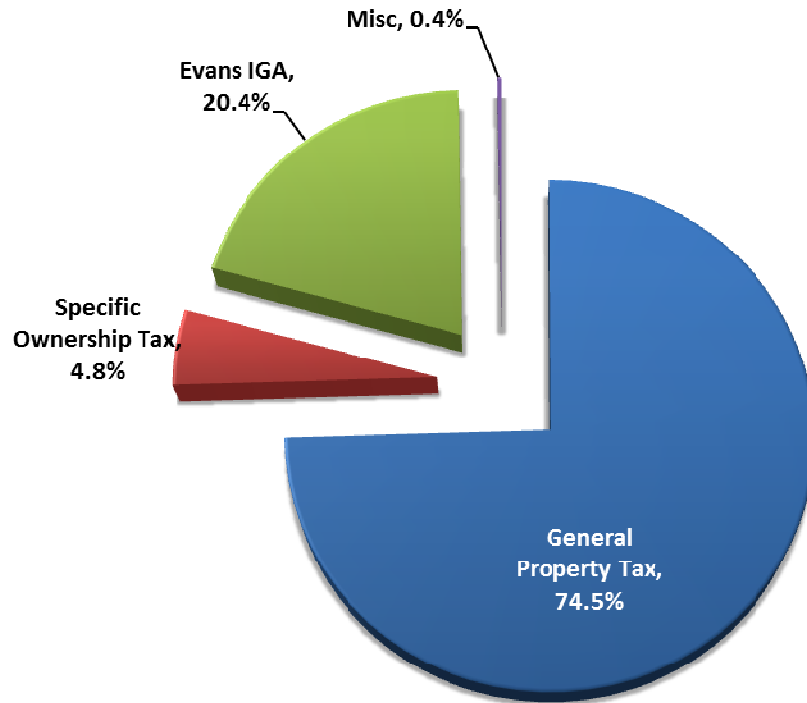


General Fund Revenue Summary

Revenues

The revenues received by the District are comprised of the property tax from the 15.5 mills approved by the District electors, funds contributed by the City of Evans under the provisions of the Service Plan and IGA, and several smaller categories including specific ownership tax, fees, interest and contractual revenue from the LaSalle Fire District.

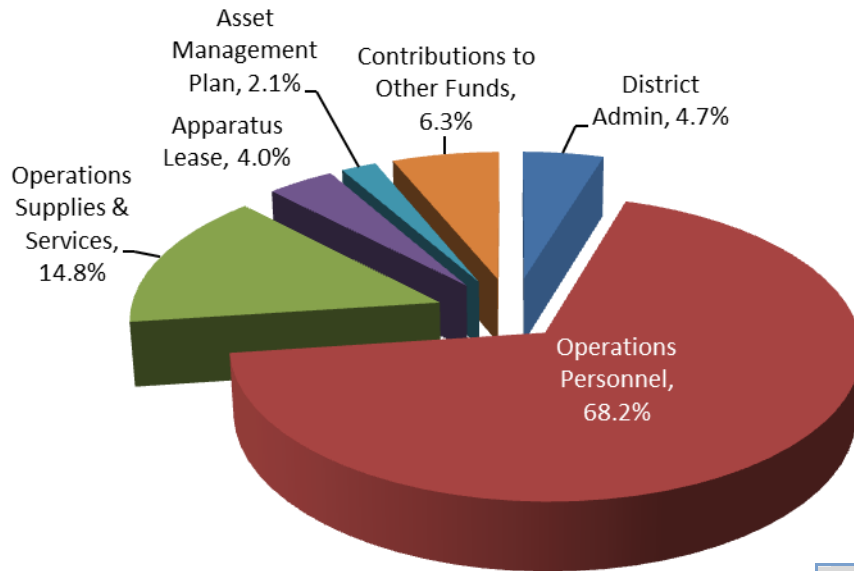
The IGA contribution from the City will be paid in four equal quarterly payments beginning January 1, 2014. The property tax revenue is received throughout the year; the majority in February and July.



Revenue Source	Amount	Percentage
Gen Property Tax	\$1,640,195	74.5%
Specific Ownership Tax	\$106,405	4.8%
Evans IGA	\$448,918	20.4%
Misc	\$6,000	0.3%
Total Revenue	\$2,201,518	100%

Expenditures

Operating Expenditures – Overall total expenditures are \$2,185,895. This is \$877,630 under 2013, a 29% decrease. This decrease is mainly due to the apparatus lease purchase made in 2013 and a decrease in contribution to the Capital Fund.



Expenditure	Amount	Percentage
District Admin	\$103,553	4.7%
Operations Personnel	\$1,489,853	68.2%
Operations Supplies & Services	\$323,413	14.8%
Apparatus Lease	\$86,660	4.0%
Asset Management Plan	\$45,325	2.1%
Contributions to other Funds	\$137,091	6.3%
Total Expenditure	\$ 2,185,895	100%

District Administration (Board) Expenditures: This includes Board member stipends, Weld County tax collection fees, banking fees, audit fees, Board training, legal expenses, Board member insurance, and Board contingency. A Director's election has been budgeted for \$5,000 as a polling place election. In 2014, the district administrative expenses will be \$103,553.

Operations Personnel: Operations personnel represents the single largest category of expense at \$1,489,853. This includes the salary and benefits of full and part-time employees, overtime for full-time personnel, acting officer pay, volunteer pension, and volunteer stipends. In the five-year LRP operations personnel expense also includes the implementation of the Skill-Based Pay system for full-time and part-time firefighters and full-time officers in 2014. This proposal includes increasing the current half-time administrative assistant position to full-time. The number of authorized positions includes the vacant assistant fire chief position that is unfunded at this time. The LRP does not show changes in position pay ranges that may be adopted by the Board in the future due to periodic market adjustments.

Volunteer Firefighter Stipends: The quarterly stipends are intended to provide volunteer firefighters a "nominal fee" within the meaning of the Fair Labor Standards Act (FLSA). Under no circumstances will volunteer firefighters receive "compensation" within the meaning of the FLSA. Volunteer firefighters will at all times, and for all purposes, be a volunteer. The Internal Revenue Service considers the stipends to be taxable income. The District will make appropriate withholdings and deductions, and volunteer firefighters will receive a W-2 for all stipends received. Attachment E outlines the details of the Volunteer Stipends.



Fire Position Pay Ranges: In 2014 all firefighters will be moved into the Skill Based Pay system. Annual reviews will be conducted on each firefighter's anniversary date. At that time, the firefighter will be placed on the scale at the appropriate step. The step is determined by time of service and certifications held. With the exception of the fire chief and assistant fire chief, all are non-exempt positions for the purpose of the FLSA. Attachment D, the Summary of Personnel Expenditures outlines the Skill Based Pay steps.

Operations Supplies and Services: Includes supplies purchased from vendors to support day-to-day operations as well as services provided by others. Included is the administrative services contract with the City of Evans, vehicle maintenance contracts, and fuel purchased from the City of Evans. These proposed budgets are \$75,400 and \$248,013, respectively.

Asset Management Plan (AMP): Routine replacement of capital equipment with a value of over \$1,000 and less than \$100,000 with a service life over one year. The 2014 AMP proposes \$45,325.

Lease Payment: The lease payment for the first year of a 10 year agreement for the new Rosenbauer quint will be \$86,660.

Reserves: The reserve requirements are established in the District Financial Policies. The policies require three months of operating expenditures, exceeding the TABOR requirement of 3% of actual General Fund revenue. In 2014, this reserve will be fully funded. At a 2014 mid-year budget review, the Board may wish to evaluate expenditures in supplies, services, and asset management to create a smaller operating reserve.





Capital Replacement Fund

This fund is for the long-term replacement of major fire apparatus, equipment, and facilities. It currently includes three programs: apparatus replacement, Self-Contained Breathing Apparatus (SCBA) replacement and major facility repairs and expansion. The proposed contribution to the capital fund in 2014 is \$132,091. This represents a total of 6% of revenue as discussed above.

Due to aggressive replacement and maintenance programs in 2012 and 2013, only one major fire truck is scheduled to be replaced in the next 10 years. The fire truck replacement program does provided funding for the next round of replacement in the next 10 years. The long-term facility maintenance and expansion program currently does not include specific projects. These needs will be identified in 2014 and included in future capital budgets.

Although the contribution to the capital fund in 2014 is 6% the Capital Replacement Fund long range plans show the projected revenue in this fund over the next 10 years in all three programs at 5% of revenue. This percentage contribution will be increased as revenues allow.

In late 2013, the Board and staff are considering the purchase of a replacement fire pumper. While this transaction is scheduled to be completed in 2013, it is possible that all or portions of the process will continue into early 2014. In this case, staff will bring forward a supplemental budget for Board consideration in early 2014 to complete this critical purchase.



**Evans Fire Protection District
Capital Replacement Fund Long Range Financial Plan**

	2012 Actual	2013 Budget V2	2014 Budget	2015 Projected	2016 Projected	2017 Projected	2018 Projected	2019 Projected	2020 Projected	2021 Projected	2022 Projected
Beginning Fund Balance		28,000	265,114	397,205	508,550	621,181	515,116	630,372	746,781	864,353	983,102
Revenues:											
Transfers In	28,000	237,114	132,091	111,345	112,631	113,935	115,256	116,409	117,573	118,748	119,936
Total revenues	28,000	237,114	132,091	111,345	112,631	113,935	115,256	116,409	117,573	118,748	119,936
Total Annual Increase		172%	-44%	-16%	1%	1%	1%	1%	1%	1%	1%
Expenditures:											
Capital Replacement		-	-	-	-	220,000	-	-	-	-	-
Total Expenditures		-	-	-	-	220,000	-	-	-	-	-
Excess Revenue Over (under) Expenditures	28,000	237,114	132,091	111,345	112,631	(106,065)	115,256	116,409	117,573	118,748	119,936
Ending Fund Balance	28,000	265,114	397,205	508,550	621,181	515,116	630,372	746,781	864,353	983,102	1,103,038

CT



Evans Fire Protection District
Capital Replacement Plan Detail

2012-2022 Capital Improvement Plan Detail

	2012 Actual	2013 Budget V2	2014 Budget	2015 Projected	2016 Projected	2017 Projected	2018 Projected	2019 Projected	2020 Projected	2021 Projected	2022 Projected
FIRE TRUCK											
Beginning Balance	-	28,000	210,525	327,616	385,758	457,490	571,425	686,681	803,090	920,662	1,039,411
Revenues:											
Transfers In (Contribution)	28,000	182,525	117,091	58,142	71,732	113,935	115,256	116,409	117,573	118,748	119,936
Total Revenues	28,000	182,525	117,091	58,142	71,732	113,935	115,256	116,409	117,573	118,748	119,936
Expenditures:											
Engine	-	-	-	-	-	-	-	-	-	-	-
Total Expenditures	-	-	-	-	-	-	-	-	-	-	-
Ending Balance	28,000	210,525	327,616	385,758	457,490	571,425	686,681	803,090	920,662	1,039,411	1,159,347
SELF-CONTAINED BREATHING APPARATUS (SCBA)											
Beginning Balance	-	-	54,589	69,589	122,792	163,691	(56,309)	(56,309)	(56,309)	(56,309)	(56,309)
Revenues:											
Transfers In (Contribution)	-	54,589	15,000	53,203	40,899	-	-	-	-	-	-
Total Revenues	-	54,589	15,000	53,203	40,899	-	-	-	-	-	-
Expenditures:											
SCBA	-	-	-	-	-	220,000	-	-	-	-	-
Total Expenditures	-	-	-	-	-	220,000	-	-	-	-	-
Ending Balance	-	54,589	69,589	122,792	163,691	(56,309)	(56,309)	(56,309)	(56,309)	(56,309)	(56,309)
MAJOR FACILITY REPAIRS											
Beginning Balance	-	-	-	-	-	-	-	-	-	-	-
Revenues:											
Transfers In (Contribution)	-	-	-	-	-	-	-	-	-	-	-
Total Revenues	-	-	-	-	-	-	-	-	-	-	-
Expenditures:											
Facility Repairs	-	-	-	-	-	-	-	-	-	-	-
Total Expenditures	-	-	-	-	-	-	-	-	-	-	-
Ending Balance	-	-	-	-	-	-	-	-	-	-	-
Total Ending Fund Balance	28,000	265,114	397,205	508,550	621,181	515,116	630,372	746,781	864,353	983,102	1,103,038
CT	28,000	265,114	397,205	508,550	621,181	515,116	630,372	746,781	864,353	983,102	1,103,038



Training Facility Fund

This fund includes an annual contribution from the general fund of \$5,000 and use fees of \$5,000 in 2014. It also includes an annual expenditure for the maintenance of training props including live fire facilities. Our plan is to grow this fund over time in anticipation of major replacement of props and/or expansion in the future. This is intended to allow revenue generated from the rental of our training simulators and live fire buildings to be used directly for training facility maintenance and expansion.

Evans Fire Protection District Training Facility Fund Long Range Financial Plan

	2012 Actual	2013 Budget	2014 Budget	2015 Projected	2016 Projected	2017 Projected	2018 Projected
Beginning Fund Balance	-	11,887	16,887	21,887	26,887	31,887	36,887
Revenues:							
Training Facility Use Fees	6,450	5,000	5,000	5,000	5,000	5,000	5,000
Transfer from General Fund	10,000	10,150	5,000	5,000	5,000	5,000	5,000
Total revenues	16,450	15,150	10,000	10,000	10,000	10,000	10,000
Total Annual Increase		1%	-34%	0%	0%	0%	0%
Expenditures:							
Operating Supplies & Services	4,563	10,150	5,000	5,000	5,000	5,000	5,000
Total Operating	4,563	10,150	5,000	5,000	5,000	5,000	5,000
		1%	-51%	0%	0%	0%	0%
Total Expenditures	4,563	10,150	5,000	5,000	5,000	5,000	5,000
Total Annual Increase		1%	-51%	0%	0%	0%	0%
Excess Revenue Over (under) Expenditures	11,887	5,000	5,000	5,000	5,000	5,000	5,000
Ending Fund Balance	11,887	16,887	21,887	26,887	31,887	36,887	41,887

CT



Volunteer Firefighter Pension Fund

This fund is a trust fund established to account for the management of the Volunteer Firefighter Pension and was transferred from the City of Evans on January 1, 2013.

Evans Fire Protection District Volunteer Firefighter Pension Fund Long Range Financial Plan

	2013 Budget	2014 Budget	2015 Projected	2016 Projected	2017 Projected	2018 Projected
Beginning Fund Balance	523,820 ¹	523,233	516,360	504,773	489,649	471,874
Revenues						
Intergovernmental	33,994	33,994	33,994	33,994	33,994	33,994
Contributions/Inv Inc	128,000	128,000	128,000	128,000	128,000	128,000
Total Revenues	161,994	161,994	161,994	161,994	161,994	161,994
CT	161,994	161,994	161,994	161,994	161,994	161,994
Total Available Funds	161,994	161,994	161,994	161,994	161,994	161,994
Expenditures						
Pension Distributions	162,581	168,867	173,582	177,117	179,769	181,758
Total Expenditures	162,581	168,867	173,582	177,117	179,769	181,758
Transfers Out	-	-	-	-	-	-
Excess Revenue Over (Under) Expenditures	(587)	(6,873)	(11,588)	(15,123)	(17,775)	(19,764)
Ending Fund Balance	523,233	516,360	504,773	489,649	471,874	452,110
CT	523,233	516,360	504,773	489,649	471,874	452,110

¹ As transferred from the City of Evans on January 1, 2013.



Attachment A – 2014 Budget Summary

Fund/Department	Revenue	Wages	Supplies & Services	Asset Management	Transfers	Debt	Capital	Miscellaneous ¹	Net Impact
General Fund									
Board Admin	-	8,679	94,874	-	-	-	-	-	(103,553)
Fire Operations	2,201,518	1,489,853	323,413	45,325	(137,091)	86,660	-	-	119,176
Total General Fund	2,201,518	1,498,532	418,287	45,325	(137,091)	86,660	-	-	15,623
Training Facility Fund	5,000	-	5,000	-	5,000	-	-	-	5,000
Capital Fund	-	-	-	-	132,091	-	-	-	132,091
Volunteer Firefighter Pension Fund	161,994	-	-	-	-	-	-	168,867	(6,873)
TOTAL FIRE DISTRICT	2,368,512	1,498,532	423,287	45,325	-	86,660	-	168,867	145,841

¹⁾ Volunteer firefighter pension distributions

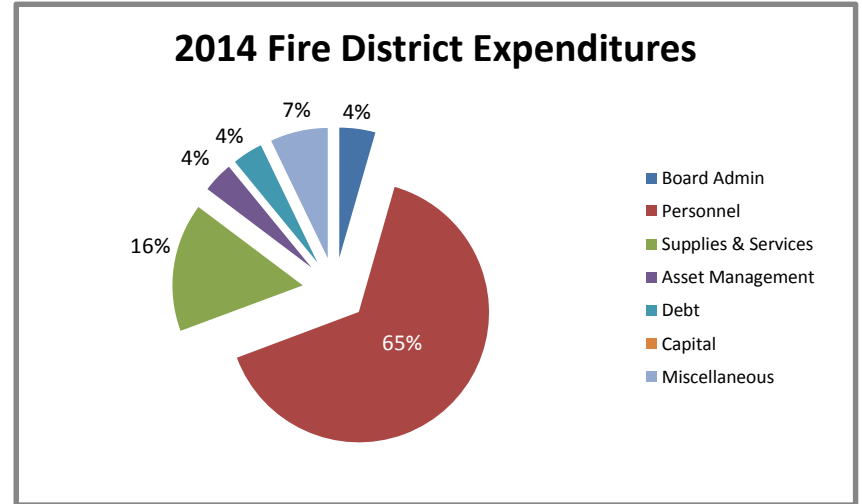
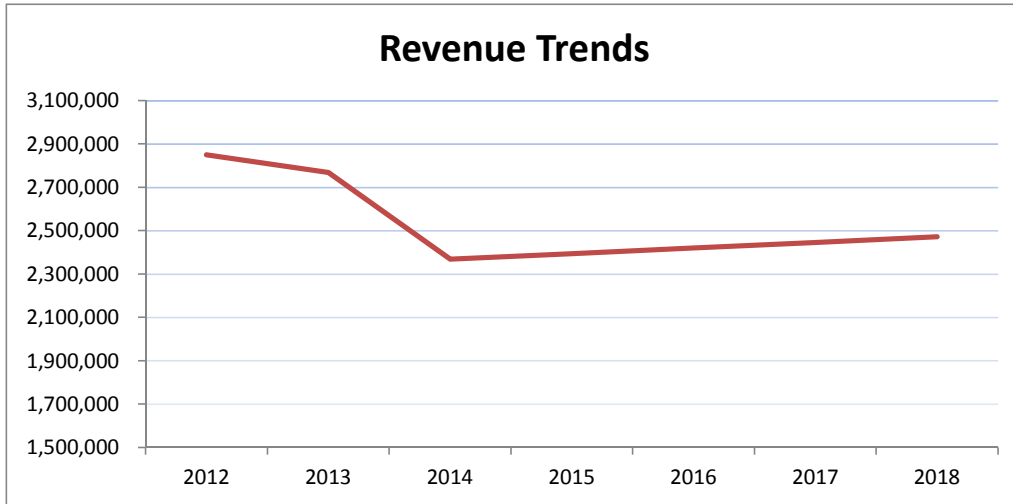


Attachment B - Revenue and Expense Trends



Year	Revenue	Board Admin	Personnel	Supplies & Services	Asset Management	Debt	Capital	Miscellaneous ²	Net Impact
2012	2,849,175	102,970	1,264,949	335,305	97,174	-	-	-	1,048,777
2013 ¹	2,768,434	101,387	1,476,269	363,065	86,938	85,975	-	162,581	492,219
2014	2,368,512	103,553	1,489,853	328,413	45,325	86,660	-	168,867	145,841
2015	2,393,892	92,061	1,552,924	331,538	37,892	85,425	-	173,582	120,470
2016	2,419,616	97,643	1,606,277	334,709	55,616	83,800	-	177,117	64,454
2017	2,445,689	93,231	1,661,983	337,928	90,750	87,013	220,000	179,769	(224,985)
2018	2,472,116	98,826	1,720,146	341,195	100,750	84,913	-	181,758	(55,472)

* Does not include intrafund transfers.



¹⁾ 2013 Board Adopted Budget and/or projected.

Includes one-time contribution of \$300,000 from the City of Evans to the Fire District to fund operating reserves and contribution to the Volunteer Firefighter Pension Fund.



Attachment C – Summary of Personnel Positions

The following summary is to provide information regarding the number of authorized positions within the District.

Authorized Positions	2014 Pay Range	2012	2013	2014	2015	2016	2017	2018
Fire Chief	\$96,400 ¹	1	1	1	1	1	1	1
Assistant Fire Chief	\$63,602 - \$89,494	1	1	1	1	1	1	1
Fire Captain	\$52,325 - \$73,627	4	4	4	4	4	4	4
Full-Time Firefighter	\$39,046 - 54,942	9	9	9	9	9	9	9
Part-Time Firefighter	\$10/hr - \$14/hr	6	9	10	10	10	10	10
Administrative Assistant	\$14/hr - \$17/hr	.5	.5	1	1	1	1	1
Total Employees		21.5	24.5	26	26	26	26	26

¹) Fire Chief pay listed reflects current year pay. 2014 compensation will be set by the Board of Directors.

Personnel Highlights

- In 2014 the position of Assistant Fire Chief will remain vacant. This position will be filled when it can be fully funded.
- One additional Part-Time Firefighter position is approved for 2014, bringing the total number of Part-Time Firefighters to 10.
- The half-time Administrative Assistant position is approved to increase to a full-time Administrative Assistant for 2014.





Attachment D – Summary of Personnel Expenditures

	2012 Actual	2013 Projected	2014 Budget	2015 Projected	2016 Projected	2017 Projected	2018 Projected
Personnel							
Regular salary & benefits ¹	1,067,216	1,104,477	1,146,748	1,209,820	1,263,173	1,318,878	1,377,041
Over-time	44,999	56,128	55,329	55,329	55,329	55,329	55,329
Part-time salary & benefits	48,304	184,347	167,074	167,074	167,074	167,074	167,074
Volunteer stipend	16,430	31,143	19,513	19,513	19,513	19,513	19,513
Acting Captain Pay	-	12,174	13,189	13,189	13,189	13,189	13,189
Volunteer pension	88,000	88,000	88,000	88,000	88,000	88,000	88,000
Total Personnel	1,264,949	1,476,269	1,489,853	1,552,924	1,606,277	1,661,983	1,720,146
		17%	-1%	4%	3%	3%	3%

¹ In 2014, a skill based pay system will be implemented for full-time firefighters and captains.

Skill Based Pay System - Fire Captain

Step	1	2	3	4	5	6
Pay	\$52,325	\$56,585	\$60,846	\$65,106	\$69,367	\$73,627

Skill Based Pay System - Full-Time Firefighter

Step	1	2	3	4	5	6	7	8	9
Pay	\$39,046	\$41,033	\$43,020	\$45,047	\$46,994	\$48,981	\$50,986	\$52,955	\$54,942

Skill Based Pay System - Part-Time Firefighter

Step	1	2	3	4	5	6	7	8	9
Hourly rate	\$10	\$10.50	\$11	\$11.50	\$12	\$12.50	\$13	\$13.50	\$14



Attachment E – Volunteer Firefighter Stipends

The purpose of the volunteer firefighter program is to provide supplemental on-duty staffing. The program is authorized to carry 20 volunteer firefighters.

Quarterly Stipend Eligibility

To be eligible for the quarterly stipend, during the preceding quarter, a volunteer firefighter must have met all membership requirements and worked at least 36 hours of shifts each month or, an in-district volunteer must have responded to 15% of the annual calls for service pro-rated to the applicable quarter. Additionally, volunteer firefighters must have met the District’s annual training hour requirement pro-rated to the applicable quarter.

The monthly stipend is not increased for volunteer firefighters who perform more shifts and it is not tied to productivity while performing shifts.

Certification Level	Amount
Colorado Firefighter 1	\$50 Basic Stipend
Colorado or National Registry EMT-B	Add \$10
Colorado Firefighter 2	Add \$10
Colorado Hazardous Materials Technician	Add \$10
Evans Driver Operator	Add \$10
Colorado Fire Instructor 1	Add \$10
Evans Command Officer	Add \$40

Experience	Amount
0-1 Years	\$0
1-3 years	Add \$10
3-5 Years	Add \$20
5-10 Years	Add \$40
10-15 Years	Add \$60
15-20 Years	Add \$80
Over 20 Years	Add \$100



Attachment F – Summary of Supplies and Services

	2012 Actual	2013 Budget V3	2014 Budget	2015 Projected	2016 Projected	2017 Projected	2018 Projected
Board Operations:							
Supplies							
Office Supplies	40	-	-	-	-	-	-
IT Supplies	3,091	-	-	-	-	-	-
Total Supplies	3,131	-	-	-	-	-	-
Services							
District Insurance	500	600	600	609	618	627	637
Audit	1,000	5,000	5,000	5,075	5,151	5,228	5,307
Weld tax collection fee (3%)	9,004	51,274	51,274	49,698	50,195	50,697	51,204
Banking	-	1,000	1,000	1,000	1,000	1,000	1,000
Legal	56,531	25,000	20,000	15,000	15,000	15,000	15,000
Directors training/conference	1,547	2,000	2,000	2,000	2,000	2,000	2,000
District election (biannual)	25,188	-	5,000	-	5,000	-	5,000
Total Services	93,771	84,874	84,874	73,382	78,964	74,553	80,147
Operations:							
Supplies							
Other operating (Gen Supplies)	14,269	-	-	-	-	-	-
Clothing/uniforms	13,966	7,700	7,200	7,308	7,418	7,529	7,642
Food	2,926	7,650	6,250	6,344	6,439	6,535	6,634
Fuel	53	21,000	16,000	16,240	16,484	16,731	16,982
Janitorial	288	-	-	-	-	-	-
Vehicle maintenance	163	12,000	6,000	6,090	6,181	6,274	6,368
Office supplies	2,229	3,650	3,150	3,197	3,245	3,294	3,343
Building Maint Supplies	16,856	6,500	5,500	5,583	5,666	5,751	5,837
Equipment Maint Supplies	760	14,200	11,500	11,673	11,848	12,025	12,206
Medical supplies	11,810	6,000	6,000	6,090	6,181	6,274	6,368
PPE maintenance	21,966	49,290	8,800	8,932	9,066	9,202	9,340
Contingency	-	-	5,000	5,000	5,000	5,000	5,000
Total Supplies	85,285	127,990	75,400	76,456	77,528	78,616	79,720
		43%	-41%	1%	1%	1%	1%
Services							
Print/publishing	710	2,825	2,175	2,208	2,241	2,274	2,308
Postage	256	-	-	-	-	-	-
Professional services	17,086	12,100	25,000	25,375	25,756	26,142	26,534
Financial Services	19,068	-	-	-	-	-	-
IT Services	3,845	600	1,315	1,335	1,355	1,375	1,396
Advertising/public relations	2,633	-	-	-	-	-	-
Building maintenance	8,927	7,200	6,700	6,801	6,903	7,006	7,111
Equipment maintenance	3,858	9,920	12,750	12,941	13,135	13,332	13,532
Vehicle maintenance	19,031	15,000	25,903	26,292	26,686	27,086	27,493
Utilities	21,289	21,880	21,880	22,208	22,541	22,879	23,223
Memberships	2,416	2,893	2,903	2,947	2,991	3,036	3,081
Training	28,079	27,800	20,000	20,300	20,605	20,914	21,227
Health and fitness	10,020	18,600	18,280	18,554	18,833	19,115	19,402
Emergency management	-	1,000	1,000	1,015	1,030	1,046	1,061
Tuition Reimbursement	-	3,000	3,000	3,000	3,000	3,000	3,000
City admin services	102,107	102,107	102,107	102,107	102,107	102,107	102,107
Misc. services	6,130	-	-	-	-	-	-
Contingency	-	-	5,000	5,000	5,000	5,000	5,000
Total Services	245,457	224,925	248,013	250,082	252,181	254,312	256,475
		0%	10%	1%	1%	1%	1%
Total S&S	427,644	437,788	408,287	399,919	408,673	407,481	416,343





Attachment G – Program Budgets

BOARD of DIRECTORS

Program Description

Provide governance and policy direction to the Fire District in accordance with State law and adopted bylaws. Adopts resolutions as necessary to govern the District. Reviews and adopts as necessary the Member Handbook, Board Bylaws, Financial Policies and annual budget. Reviews and approves purchases and vendor contracts in accordance with Financial Polices. Reviews and approves as necessary intergovernmental agreements and contracts.

Program Objectives

1. Submit annual approved budget to the State of Colorado by December 15th.
2. Adopt annual budget at the regular October Board meeting.
3. Evaluate the Fire Chief/CEO in January of each year.
4. Meet with Evans City Council in May of each year.
5. Conduct Director elections as required by State law on even numbered years.
6. Certify mill levy by December 15 in accordance with State law.
7. Post Board meetings in accordance with State law.

Resources

Expenditure Category	Cost
Personnel - Stipends	\$ 8,679
Supplies	10,500
Services	84,874
Total	104,053



ADMINISTRATION

Program Description

Manages all business functions of the District including personnel and budget administration. Manages relationships with the City of Evans and Weld County. Prepares planning and analysis documents. Manages intergovernmental agreements and contracts with private vendors. Prepares and administers budgets and Board of Director meetings and agendas in accordance with State law and Board Bylaws and Policies. Evaluates organizational performance in accordance with Board direction and applicable industry standards. In cooperation with the City of Evans manages District purchasing system, asset management plan and capital resources. Oversees all District operations and manages employee relations as required by State law. Cooperates with the City of Evans and Weld County in emergency management and disaster planning. Maintains Record Management System and other relevant record systems.



Objectives

1. Prepare and submit preliminary annual budget to Board of Directors at the September regular Board meeting.
2. Submit final annual budget to Board of Directors at the regular November Board meeting.
3. Prepare and distribute Board of Directors meeting agenda and packet by the Thursday before each Board meeting.
4. Prepare and distribute an annual report for the previous year by May 1.
5. Maintain a minimum 95% percent citizen satisfaction rating for responses.
6. Evaluate the performance of all District managers and administrative personnel annually in accordance with member Handbook.

Resources

Expenditure Category	Cost
Personnel - Wages & Benefits	\$ 148,697
Supplies	12,500
Services	17,280
City of Evans Admin Services Contract	102,107
Total	280,584

EMERGENCY RESPONSE OPERATIONS

Program Description

Emergency and non-emergency response for fires, medical emergencies, rescues, and hazardous materials releases. Assists citizens, visitors and businesses with non-emergency loss control. Provides personnel resources for fire prevention activities, community safety events and installation of child car seats. Pre-plans buildings and facilities for emergency response. Maintains all District facilities, equipment and vehicles (except Administrative Office). Develops and maintains General Operating Guidelines and applicable operational procedures. Assists the City in testing of fire hydrants and related fire protection equipment.

Program Objectives

1. Maintain daily staffing of five personnel at 90%.
2. Maintain first unit emergency response time of six minutes from time of dispatch at 75% for emergency calls for service.
3. Maintain all vehicles in accordance with establish preventive maintenance schedules.

Resources

Expenditure Category	Cost
Personnel - Wages & Benefits	\$ 1,117,173
Supplies	58,900
Services	79,346
Asset Management Plan	45,325
Total	1,300,744



TRAINING



Program Description

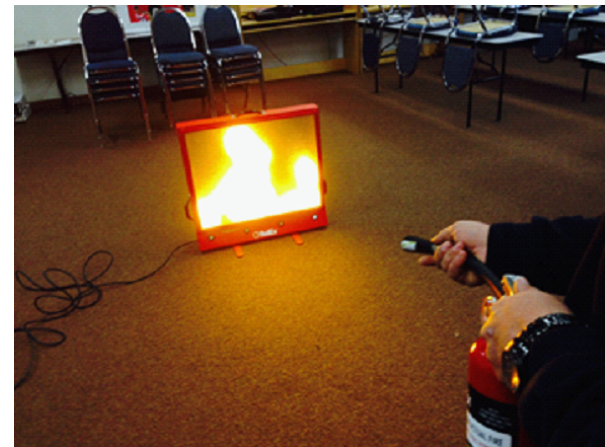
Provides and coordinates all training to maintain emergency and non-emergency skills of all District personnel. Develops and executes short and long-term training plans. Provides internal and external training opportunities for all District personnel to acquire and maintain skills and related certifications after hire. Maintains certification system and training records. Assists officers in evaluating crews and individuals in emergency response operations. Maintains training facilities, props and equipment. Cooperates with other agencies in providing multi-agency training. Cooperates with Aims Community College for emergency medical services training and regional training.

Program Objectives

1. Provides two live fire training exercises per year.
2. Provides a driver operator training class each year.
3. Coordinates one training exercise per year with each adjacent mutual-aid partner.
4. Provides 22 hours of continuing medical education.

Resources

Expenditure Category	Cost
Personnel - Wages & Benefits	\$ 63,721
Supplies	500
Services	21,680
Total	85,901



VOLUNTEER FIREFIGHTERS

Program Description

Recruit, select and manage volunteer firefighters (training of volunteers after hire is included in Training). Manage volunteer pension and stipend programs. Manages volunteer scheduling system

Program Objectives

1. Maintains 20 active volunteer firefighters.
2. Processes quarterly volunteer stipends within 30 days of previous quarter.
3. Supports quarterly Volunteer Pension Board meetings.
4. Files State volunteer pension documents in accordance with State requirements.

Resources

Expenditure Category	Cost
Personnel – Stipends & Training Officer	\$ 40,753
Volunteer Pension Contribution	88,000
Supplies	3,000
Services	15,600
Total	147,353



FIRE PREVENTION

Program Description

All fire prevention functions related to the enforcement of the District's fire code. Review of new buildings and fire suppression, alarm and special hazard systems and related construction inspections. Participation in the City development review and land use process to mitigate future fire and public safety risks. Investigation of fires for cause and origin, and cooperation with Evans Police Department on fires that are determined to be arson or suspicious cause. Provides fire safety education to high risk populations and the general public including participation in local and regional community safety events. Maintains fire prevention polices and enforcement processes in cooperation with the City of Evans. Cooperates with the City of Evans in code enforcement. Maintains contracts with vendors for special review and inspection services. Cooperates with other state and local public safety enforcement agencies.

Program Objectives

1. Review all plans for fire protection systems regulated by the Fire Code within time frames of the City of Evans Building Inspection Division.
2. Review all proposals for new development within the time frames of City of Evans Community Development Department.
3. Review all plans for all new and remodeled commercial buildings or changes to occupancy that produce an increased fire hazard in buildings not classified as R3 within time frames the City of Evans Building Inspection Division.
4. Inspect all new and renewed liquor licenses within the City within City timeframes.
5. Provide construction inspections within 48 hours of request.
6. Provide one annual fire safety education program to designated school grades in all schools within the District.
7. Investigate all fires with significant loss or casualties for cause and origin and cooperate with Evans Police on fires suspected as arson.
8. Participate in three local or regional community safety events.

Resources

Expenditure Category	Cost
Personnel - Wages & Benefits	\$ 31,510
Supplies	-
Services	12,000
Total	43,510





Attachment H – Asset Management Plan

	2012 Actual	2013 Budget V2	2014 Budget	2015 Projected	2016 Projected	2017 Projected	2018 Projected
Personal protective equipment	21,997	22,756	19,575	24,142	24,866	25,000	25,000
Light vehicle	43,188	10,000	-	-	-	35,000	35,000
Communication equipment	-	5,000	5,000	5,000	5,000	5,000	5,000
Computer equipment	1,130	6,500	6,500	4,500	6,500	6,500	6,500
Thermal imaging camera	-	-	-	-	15,000	-	-
Rescue tool replacement	-	24,000	-	-	-	-	-
Equipment for quint	-	14,432	-	-	-	-	-
Hose	-	4,250	4,250	4,250	4,250	4,250	4,250
Station 2 Floors	-	-	10,000	-	-	-	10,000
Autopulse	15,860	-	-	-	-	15,000	15,000
Brush Truck	15,000	-	-	-	-	-	-
Total Asset Management Plan	97,174	86,938	45,325	37,892	55,616	90,750	100,750
		-11%	-27%	-16%	47%	63%	11%





Attachment I – Fees Schedule

Activity	2013	Proposed 2014
Carnivals & Fairs	\$108	\$108
Explosives or blasting agents	\$108	\$108
Fireworks Display	\$229	\$229
Temporary Retail Fireworks Stand	\$1,555	\$1,555
Open Burning	\$0	\$0
Temporary membrane structures	\$86	\$86





Attachment J – Key Performance Indicators

Response Times

EFPD strives to meet a response time objective of six minutes from dispatch to arrival on scene of 75% of all emergency responses.

Performance Indicator	2011	2012	2013
Average response time	5.84 min	6.24 min	6.29 min
Fire loss	\$15,000	\$19,000	\$52,500
Training hours per paid FF	38	39	FT – 94 PT – 64
Training hours per vol FF	19	36	39
5 on-duty personnel	-	65%	75%
Citizen response satisfaction	96%	96%	96%
Percentage of emergency responses within 6 minutes	77%	74.7%	79.4%

On-duty staffing

The on-duty staffing objective is to have Station 2 staffed with a total of five firefighters 24 hours a day, seven days a week, 90% of the time. In 2013, this objective was met 75% of the time. This will become a critical future performance objective as the staffing improvements are implemented, in part with additional part-time firefighters. Prior to the addition of six part-time firefighters in August 2012, this goal was met for about one-third of all shifts.

Citizen Satisfaction

All emergency calls for service with a physical address are sent a service satisfaction survey. Approximately 30% of these surveys are returned. The composite rating for the five questions was 96% good or excellent. Each area is rated on a scale of 1 to 5, with 5 being Excellent. The average ratings are as follows:

- Ease of reporting your emergency – 4.65
- Courtesy of firefighters on scene – 4.89
- How adequately all actions were explained – 4.68
- Quality of service provided – 4.83
- Response time – 4.85



Attachment K – 2014 Budget Resolution

RESOLUTION 2013-7

A RESOLUTION SUMMARIZING REVENUES AND EXPENDITURES FOR EACH FUND, ADOPTING A BUDGET FOR THE YEAR 2014, LEVYING GENERAL PROPERTY TAXES FOR THE YEAR 2014 TO HELP DEFRAY THE COSTS OF GOVERNMENT, AND APPROPRIATING SUMS OF MONEY TO THE VARIOUS FUNDS IN THE AMOUNTS AND FOR THE PURPOSES SET FORTH HEREIN FOR THE EVANS FIRE PROTECTION DISTRICT, WELD COUNTY, COLORADO, FOR THE 2014 FISCAL YEAR BEGINNING ON THE FIRST DAY OF JANUARY 2014, AND ENDING ON THE LAST DAY OF DECEMBER 2014.

WHEREAS, the District Board authorized its administrative staff and consultants to prepare and submit a proposed Budget for fiscal year 2014; and

WHEREAS, a proposed Budget for fiscal year 2014 ("**2014 Budget**") has been submitted to the District Board for its consideration. A copy of the proposed 2014 Budget is attached to this Record of Proceedings; and

WHEREAS, upon due and proper notice, published in accordance with the law, the proposed 2014 Budget was available for inspection by the public at a designated public office; and

WHEREAS, a public hearing was held Monday, October 28, 2013, and interested electors were given the opportunity to comment on or to file or register any objections to the attached proposed 2014 Budget.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE EVANS FIRE PROTECTION DISTRICT, WELD COUNTY, COLORADO:

Section 1. Appropriation of 2014 Budget Revenues. That the estimated revenues for each fund as more specifically identified in the attached 2014 Budget are approved and appropriated.

Section 2. Approval of 2014 Budget Expenditures. That the estimated expenditures for each fund as more specifically identified in the attached 2014 Budget are accepted and approved.

Section 3. Adoption of Budget for 2014. That the attached 2014 Budget as submitted is approved and adopted as the District's budget for fiscal year 2014.

Section 4. Adoption of Mill Levy. That the mill levy necessary to generate the revenues set forth in the 2014 Budget, and as previously approved by the voters within the District's jurisdiction, is hereby adopted.

Section 5. Adoption of the 2014 Fee Schedule. That the attached 2014 fees more specifically identified in the attached 2014 Fee Schedule are accepted and approved.

The foregoing Resolution was seconded by Director _____.

ADOPTED AND APPROVED this 28th day of October, 2013.

Mary Achziger, President

ATTEST:

Secretary



Attachment L – Financial Policies

I. Financial Planning Policies

A. INTRODUCTION

A long range plan that estimates revenue and expenditure activity in the District as impacted by regional and national economies is necessary to support the District Board and community in decisions they make regarding District services. This planning must recognize the effects of economic cycles on the demand for services and the District's revenues.

These financial policies are in compliance with the Colorado Special District Act, C.R.S. § 32-1-101, *et seq.*, the Colorado Local Government Budget Law, C.R.S. § 29-1-101 *et seq.*, the Public Deposit Protection Act, C.R.S. § 11-10.5-101 *et seq.*, TABOR, and all other laws, rules, and regulations governing the District's financial management. In accordance with the District's Service Plan, and the Intergovernmental Agreement for the Transfer of Emergency Services between the City of Evans and the District, these financial policies mirror the financial policies of the City of Evans insofar as reasonably practicable, while complying with the foregoing laws, rules, and regulations.

The Board may modify these Financial Policies at any time in its sole discretion on the affirmative majority vote of the Board members.

B. DEFINITIONS

Except as defined elsewhere in these Financial Policies the following definitions shall apply:

1. C.R.S – Colorado Revised Statutes, as amended from time to time.
2. Local Budget Law – Colorado Local Government Budget Law, C.R.S. § 29-1-101 *et seq.*
3. Bid – An offer of a price for goods or services in accordance with specific criteria, advertising, and selection by a vendor at the request of District staff.
4. Quote - An offer of a price for goods or services by a vendor through personal contact, internet search, or telephone at the request of District staff.

5. Request for Proposal (RFP) – Request as generated by District staff for proposals on a specific good or service. The RFP will specifically outline the requirements necessary for the good or service.
6. TABOR – The Taxpayer's Bill of Rights, Colo. Const. art. X, § 20

C. POLICIES

To the extent reasonably practicable, the financial planning and subsequent budgeting for all funds shall, be based on the following policies:

1. Five year plans - The District will prepare annually a five (5) year financial long range plan ("LRP(s)") for each fund. Each LRP will include revenues, expenditures and other sources and uses with sufficient detail to identify trends and items with major impact.
2. Conservative revenue estimates - Revenue estimates should be prepared on a conservative basis to minimize the possibility that economic fluctuations could imperil ongoing service programs during the budget year.
3. Include contingencies - Expenditure estimates should anticipate contingencies that are foreseeable.
4. Include asset management plan ("AMP(s)") on LRPs. The five-year AMPs will include equipment, major maintenance and associated expenses less than \$100,000. Major renovation or maintenance projects will be identified the LRPs.
5. Use proven methods - The District will constantly test both its planning methodology and use of planning tools in order to provide information that is timely, accurate and widely disseminated to citizens and staff.
6. Economic System - The District recognizes it is in a complex regional economic system. The District should have the capacity to evaluate and anticipate changes in both regional and national economic systems in order to engage in strategic financial and management planning. The purpose of these plans will be to allow the Board and citizens to evaluate the impact of the financial needs of these programs on the regional economy and to coordinate funding needs with all funds.
7. Fire Chief –The Fire Chief will serve as the District Budget Officer and prepare financial plans for operations, asset management and capital needs. The Fire Chief requires a minimum of two reviewers of detailed work sheets used to generate the LRPs. The City of Evans Finance Director will assist in developing appropriate systems to monitor and update the LRPs. The Fire Chief may delegate finance, budget and planning duties to other subordinate staff.

8. Regular status reports - The Fire Chief will continually update the LRPs when any significant change occurs or is anticipated. The Fire Chief may distribute the LRPs to the Board at any time to inform the Board. The LRPs will be submitted to the Board for approval at least twice a year. The first update will follow the closing of the year and will include a final comparison of actual to budget for the completed year. The second report will be presented before the presentation of the annual budget and will include an update on the current budget and estimates.
9. Revenue - Each LRP must disclose revenue assumptions used in the preparation of the current budget and LRP.
10. Staffing - The LRPs will identify staffing levels, including justification for any changes.
11. Expenditures - The LRPs will include expenditures based on the service levels/policies and work load indicators approved by the Board.
12. Include reserves - The LRPs will include reserves for operations, capital and debt service coverage as established in the Financial Policies and/or as required to issue bonds, certificates of participation, or other financing mechanisms.

II. Budget Policies

A. INTRODUCTION

The Staff is responsible for preparing, managing and reporting on the District's annual budget, in compliance with Title 29, Article 1, C.R.S. and direction of the Board.

B. GENERAL BUDGET POLICIES

The annual budget will be administered based on the following policies:

1. The Fiscal Year - The fiscal year of the District is the calendar year, January 1st through December 31st. Unless the Board appoints another individual, the Fire Chief shall serve as the Budget Officer, and shall prepare and submit to the District Board on or before the fifteenth of October of each year a recommended budget for the next fiscal year.
2. Present a balanced budget to the Board - The District will pay for all current expenditures with current revenues. The District shall avoid budgetary procedures that balance current expenditures at the expense of meeting future years' expenses, such as postponing maintenance and other expenditures, accruing future years' revenues, or rolling over short term debt. The exceptions to this policy would be planned equipment purchases, operating maintenance and capital projects based on accumulated funding over the years.

3. Increase efficiency in all District operations - The District staff will identify programs to increase efficiency in order to provide for "long-term cost savings" to the District. This may include the use of technology, revised organizational structures or other tools which may be identified. Eliminating out dated practices is encouraged.
4. Promote investment in the future - The District staff, wherever possible will take a long term view of investments (people and resources) and emphasize "quality" operations that encourage productivity for today and the future.
5. Share resources/services - The District staff will explore ways to share staff, training resources and equipment/supplies with the City of Evans and other local governments in order to more effectively utilize resources.
6. Identify funding for new services or service levels - Proposals to add new services or increase existing services will be presented to the Board with revenue alternatives to fund or subsidize the new service levels. This includes initial costs and ongoing operations.
7. AMP and Capital Equipment and Facilities - The annual budgets will provide adequate maintenance of capital plant and equipment and for their orderly replacement.
8. Employee Programs - The District recognizes that employees and volunteers are the most valuable asset of the organization and commits to fund this resource appropriately, including adequate funding for all retirement systems, benefit packages and employee/volunteer incentive programs, including training.
9. Fund Reserves – Cash reserve policies directly relate to fund accounting. Fund accounting is used as a control device to segregate financial resources and ensure that the segregated resources are used for their intended purposes. Cash reserves provide stability for operations and can cushion the impact to District programs during times of economic downturns. Reserves targets are established based on the type of Fund.
 - a. Operating funds will accumulate and maintain 3 months of operating reserves based on estimated personnel, supplies and services and AMP expenditures. Operating reserves allow for the efficient management of cash flow and the opportunity to expand services or fund one time opportunities during the year. Operating reserves include the 3% emergency reserves required by TABOR.

- b. Reserves for capital funds are established based on the budgeting methodology. Capital fund budgets are based on the estimated current year ending cash balance for the next year. Subsequently the reserves are funded by the revenues restricted to capital funds. Capital projects may include a contingency for unexpected expenditures.
- c. Debt service fund reserves are based on required debt reserves established when debt is issued.
- d. Fund reserves - The first priority of the District will be to maintain target reserves by individual funds based on the above target. The District Board may identify specific reserves on an individual basis. When a cash reserve deficit exists the District Board will identify the specific fund to offset the deficit and a plan to increase the reserve in the fund.

C. BUDGET PREPARATION

Each year the Budget Officer, with the assistance of Staff, will prepare the annual budget following these policies:

1. Board direction as goals - It is the responsibility of the Budget Officer to prepare an annual budget to implement the policies and accomplish the goals identified. The Budget Officer will identify the impact to the budget, including alternatives when new service levels are approved by the Board.
2. Budget schedule – The Budget Officer will present a preliminary budget in August or September, including revenue projections based upon the Assessor's report of preliminary assessed value. The Board shall conduct a public hearing on the Budget prior to December 15 of each year. Final adoption of the Budget shall occur in December, following receipt of the Weld County Assessor's report of final assessed value, but prior to December 15. The final Budget shall be submitted to DOLA by January 31.
3. Revenue policies – The annual budget process is based on the initial and final assessed value projections provided by the Weld County Assessor.
4. Expenditure policies – Expenditure budget preparation begins with existing staff including any appropriate adjustments in accordance with the adopted personnel compensation system. Salary ranges and benefit packages should be periodically reviewed with comparable communities based on population, general fund tax revenues and cost of living.

Supplies and services should be constantly reviewed for efficiency and effectiveness, eliminating outdated programs and identifying appropriate citizen service levels. The operating budget should include the Asset Management Plan (AMP) to provide for the most effective delivery of services.

Debt is funded per required schedules, including reserves.

Capital is budgeted based on priorities, available funding and estimated fund balances.

5. Budget Officer review - The Budget Officer will review the details of the proposed budget for efficiency and compliance with Board direction. If the Budget Officer is different from the Fire Chief, the Budget Officer shall submit the proposed budget to the Fire Chief for review, and if necessary modification, prior to submitting it to the Board.

6. Budget presentation - The annual budget document will be prepared based on guidelines identified by the Government Finance Officers Association (GFOA). Traditionally this begins with an introduction to the budget followed by more detailed information presented by fund and department. The budget introduction includes a budget message and a highlights section identifying the major issues addressed by the District and how the budget is adopted to address those issues. Expenditures shall be presented by categories.

7. Public Hearing & citizen participation - The budget process will provide for the full participation of the public and ensure that the statutory public hearing is noticed and conducted in accordance with the Local Budget Law.

8. State and other requirements - The District will adopt the budget in accordance with the Local Budget Law and Board policy and will certify the mill levy to Weld County on or before December 15 of each year.

9. Funding subsidy - Funds that receive a subsidy from another fund, in addition to fees and charges or dedicated revenues will include a rationale for the subsidy, and a means for determining the annual level of that subsidy or conditions under which the subsidy should be eliminated.

D. BUDGET MANAGEMENT

District Board approval establishes the annual budget limits. Authority for the Fire Chief to work within the limits approved by the Board is essential for efficient management of the District. Staff will not exceed the approved budget without the prior approval of the District Board. The budget will be managed based on the following policies:

1. Purchasing and accounting system - The District will maintain a system for monitoring the budget during the fiscal year. Adequate tools must be available to assist staff in managing the budget. The budget system will provide for budget approval before any expenditure is committed by District staff. This system shall also provide reports and query systems which will be used by the staff to prepare Board reports.

2. Board reports - Staff will prepare monthly reports for Board review. Additional reports will be presented in coordination with the annual budget process and annual financial audit. The Board report will include information on revenues and expenditures,

comparing actual to budget, and performance measures related to service levels. The report shall follow the same format as the budget approval.

3. Level of approval - The Board will approve:

- a. The number of full time and volunteer positions, and the dollar amount for total regular staff, temporary staff, and overtime by fund and category as defined by the LRPs.
- b. The dollar amount for supplies and services and AMP for each fund and category as defined by the LRPs.
- c. Each specific capital request over \$100,000, including startup cost and ongoing maintenance.
- d. The total of expenditures from each fund including transfers in and out.

4. Amending the approved budget - The Fire Chief may submit requests to amend the approved budget during the year. Additional requests will be made only after the staff has determined that no savings exists that can be transferred. The Fire Chief, assisted by the City of Evans Finance Director, will provide information to the District Board. (Staff may not expend funds until after the District Board has approved the additional expenditure). As necessary, the City of Evans Finance Department will prepare Supplemental Budgets officially amending the Budget. Supplemental Budgets are subject to the same notice and public hearing requirements as the initial annual Budget.

- a. Line Item Transfers within a Fund - The Fire Chief may approve transfers of monies from one line item to another line item within operations supplies and services budgets and asset management plans within a fund. Any such transfers will be reported to the Board at the next reporting period.
- b. Supplemental Appropriations – The Fire Chief on his/her initiative, or upon the request of staff, may prepare one or more proposed Supplemental Budgets for Board consideration, and if appropriate, approval.

5. Budget savings - During the budget year, some expenditure savings may be realized. The Fire Chief may transfer the savings between line items to fund other identified needs within the District in accordance with paragraph 4.a above.

6. Encumbrance of Fixed Expenses – Predictable fixed expenditures will be encumbered on purchase orders in the first month of each year.

E. INTERGOVERNMENTAL BUDGETS

Some costs of the District could be influenced by other governments, either because of duplication of services or mandates imposed by State and Federal governments.

1. Payment for services - The District will budget expenditures for grant-funded programs only after grant award or letter of commitment and only for the amount of grant award. District overhead or "indirect" costs for grant-funded programs will be included in all grant proposals, where permitted. All grants will be reviewed for long term impacts to the District.

F. TABOR AND 5.5% STATUTORY LIMITED ON REVENUE

During the District's November 1, 2011 organizational election, the voters exempted the District from TABOR's revenue and spending limitations and the 5.5% statutory revenue limitations.

The District will comply with the other aspects of TABOR that could not be, and were not, exempted by the voters, such as the 3% emergency reserves required by TABOR.

III. Accounting, Auditing, & Financial Reporting Policies

A. INTRODUCTION

The District will maintain a system of financial management, control and reporting for all operations, departments and funds. This will ensure that overall District goals and objectives will be met and will instill confidence in citizens that the District is well managed and fiscally sound.

B. POLICIES

The Accounting, Auditing and Financial Reporting systems for the District will be based on the following policies:

1. Generally Accepted Accounting Principles (GAAP) - The District will maintain its accounting records and report on its financial condition and results of operations in accordance with State and Federal law and regulations, and GAAP.
2. Independent audit - An independent firm of certified public accountants will annually perform a financial and compliance audit of the District's financial statements as required by state statute. Their opinions may be contained in the District's Comprehensive Annual Financial Report (CAFR), and the Report on Compliance with the Single Audit Act of 1984 (if required based on federal funding levels).

3. Internal auditing - To complete a full range of audit services, the City of Evans Finance Department will supervise performance audits which review cash management, revenues, expenditures, purchasing and other areas that impact the District budget.
4. Accounting internal controls - The District will maintain an internal control structure consisting of three elements:
 - a. Control environment - Consisting of an "overall attitude and awareness of actions" as they influence the District. The management and staff shall consider all the financial implications of decisions, both current and long term.
 - b. Accounting system - An effective accounting system will result in the
 - i. Identification and recording of all valid transactions
 - ii. Description on a timely basis of the type of transaction in sufficient detail to permit proper classification of the transaction for reporting purposes.
 - iii. Recording of the transaction in the correct time period.
 - iv. Proper presentation of all transactions and related disclosures in the financial statements.
 - c. Control procedures - Consists of
 - i. Proper authorization of transactions and activities,
 - ii. Adequate segregation of duties,
 - iii. Adequate documents and records,
 - iv. Adequate safeguards regarding access and use of assets and records,
 - v. Independent checks on performance.

C. ACCOUNTING STRUCTURE

All District funds and operations must work to achieve the District’s mission and goals.

1. Number of funds - The District will minimize the number of funds, departments, and account codes. The funds will be categorized by standard GAAP functional classifications and the creation of new funds will be approved by the District Board. The development of new funds, departments, programs, and accounts will be recommended by the Fire Chief and approved by the Board.
2. Statement of purpose - Each fund in the District will have a Statement of Purpose, which consists of:
 - a. Intent - Purpose(s) of the fund.

- b. Revenue restrictions - Source(s) of revenues to the fund and descriptions of restriction.
- c. Contingency - Size and use of contingency, if any. Contingency levels shall be based on the uncertainties associated with the purposes of the fund or project.
- d. Reserves - Size and purpose of required reserves. Required reserves will be based on operating needs or debt needs and prudent management requirements.

D. FINANCIAL REPORTING

Financial reports will provide direction and guidance in several areas:

- 1. Budgetary comparisons - Comparing actual financial results with the adopted budget.
- 2. Financial condition and results of operations - Assessing the changes in fund balances as a result of operations.
- 3. Compliance - Assisting in determining compliance with finance-related laws, rules and regulations.
- 4. Efficiency and effectiveness - Assisting in evaluating management and staff in efficiency and effectiveness.
- 5. Fire Chief reports – The City of Evans Finance Department will prepare reports at the end of April and each month thereafter identifying the difference between actual and budget for revenues and expenditures by fund. This requirement also is included in the Budget Policies. Reports will identify the current and projected variance in budget as well as progress on performance measures. These reports will be presented to the Fire Chief and will be included in Board updates.

E. CHECK CONTROLS

The District will follow these policies related to check controls and the signing of checks:

- 1. Payment discounts - The District will take advantage of payment discounts to reduce expenditures when the rate offered is deemed favorable compared to the rate of investment income the District is earning on cash.
- 2. Invoice control - All invoices shall be mailed directly to the Finance Department and the vendor will reference an approved purchase order number.

3. Check preparation - No check will be prepared for approval without an authorized purchase order, compliance with the procurement procedure and adequate budgeted funds, unless specifically identified in these policies.
4. Check requirements - In most cases the staff will be required to complete the following steps to obtain a check:
 - a. Budget – Adequate budgeted funds must exist before staff considers a purchase.
 - b. Requisition - Staff will complete a "requisition" that identifies the vendor, amount, description of purchase, use of items as it relates to the budget (account coding), and budgeted funds available. In accordance with established limits, authorized staff, and/or Fire Chief approve requisitions based on efficiency, appropriateness and general financial and management practices.
 - c. Purchase order - Approved requisitions become purchase orders and only at this time can an order be placed with an "approved vendor". Vendors must be established as legitimate businesses meeting administrative and IRS requirements.
 - d. Invoices - Invoices are directed first to the Finance Department for entry into the accounting system for cash flow and cash discount reviews.
 - e. Department approval – After Finance Department entry, invoices are approved by Programs that the items or services received were acceptable.
 - f. Contracts - Major purchases may require following the procurement procedure (V.14.), which may include Board approval of the contract before a requisition can be completed.
5. Check register - The Fire Chief reviews and approves the check register.
6. Distribute checks - Checks will be mailed following approval. Staff will copy and distribute to the Board the check register on a monthly basis.

IV. Revenue Policies

A. INTRODUCTION

The Board and Staff must consider its discretionary revenues as a group rather than in isolation. Both individual revenues and the total package must be viewed in the context of broader District goals. The Board and Staff must be sensitive to the balance

between the need for services and the District's ability to raise fees, charges and taxes to support District services. As much as is possible and feasible, District services that benefit specific users should be paid for by fees and charges to provide maximum flexibility in use of general taxes to meet the cost of broader public services.

B. POLICIES

Revenues and rates in the LRP and annual budget will be based on the following policies:

1. Specific use of services - Charges for services that benefit specific users should recover full costs, including all direct costs, indirect costs, depreciation on capital plant and equipment, and General Fund overhead. Programs that impose fees or service charges should prepare and periodically update cost-of-service studies for each such service. Competing District policies may dictate a subsidy of a portion of the costs of such services.
2. Diversify revenue - The District should strive to diversify its revenues in order to maintain needed services during periods of declining economic activity.
3. Recapture investment - The revenue structure should be designed to "recapture" for the District some of the financial benefits resulting from District sponsored Programs or community investments.
4. Additional resources - The District will observe the following priorities in obtaining additional resources:
 - a. Use existing resources efficiently - The District will use as efficiently as possible all existing resources.
 - b. Collect existing revenues - The District will collect as efficiently as possible the resources to which it is already entitled. The District will minimize receivables and take appropriate actions to collect receivables.
 - c. Revenues are consistent with District goals - The District will seek new resources, consistent with the policies in this document and other District goals.
5. Consider total revenue mix - The District will review revenue raising proposals in light of its total revenue mix in order to encourage economic sustainability and keep the District competitive.
 - a. District revenues impact - As part of the annual financial forecast or budget process, major revenue generating proposals will contain an evaluation of the impact on the community.

- b. Total community in review - The evaluation should be based on prior year circumstances and includes all local taxation and fees.
 - c. Review each five years - At a minimum, such an evaluation shall be made at least once each five years.
6. Revenue changes – The Fire Chief will inform the Board of any revenue that varies from budget by 10% in any quarter.
 7. Use proven methods - The District will estimate its annual revenues by an objective, analytical process.
 8. Use five year plans - The District will annually project revenues for the next five years.
 9. Legal requirements - The District will maintain compliance with legal revenue restrictions as identified by voters, for special revenue funds and other restricted revenues.

V. Operating Policies

A. INTRODUCTION

When the other Financial Policies fail to address a specific issue, general operating policies will be reviewed for direction. The District must contain its expenditures to current revenues; establish and adequately fund reserves; regularly monitor and report on budget performance; evaluate the fiscal impact of new proposals; operate as efficiently as possible; and, constantly review District services for appropriateness and effectiveness.

B. POLICIES

The District shall follow these operating policies:

1. Current operating revenues to pay for current operating expenditures - Current operating revenues will meet or exceed current operating expenditures. Each District fund budget must identify ongoing resources that at least match expected ongoing annual requirements. One-time cash transfers and ending balances in excess of reserves may be applied to reserves or to pay for one-time expenditures; they will not be used to pay for on-going Programs.
2. Do not restrict revenues - The District will not normally earmark discretionary revenues for specific purposes. This will preserve the ability of the Board to determine the best use of available revenues to meet changing service requirements.

3. Reserves - The District will establish reserves for emergencies, unforeseen needs of a non-recurring nature, operating maintenance, equipment replacement and capital projects. The nature of reserves for specific funds will be spelled out in the Statement of Purpose for each fund.
4. Financial controls - The Staff will maintain a system of financial monitoring and control. The major components of this system include:
 - a. Fiscal Impact Analysis: The Staff will perform a fiscal impact analysis of each significant administrative action of the District. Where appropriate, the analysis will include the impact on the current budget and the LRP.
 - b. Financial Accounting System and Periodic Status Reports: The Staff will prepare financial status reports on the revenues and expenditures to date and estimated year end balance as described in the Budget Policies.
 - c. Budget Controls: The Finance Department will maintain a system of budgetary controls. These controls will assist department heads in identifying actual to budget variances.
5. Review for efficiency and effectiveness - The District will continually review the efficiency and effectiveness of its services to reduce costs and improve service quality. This will include a review of all existing administrative procedures and software to eliminate exception based procedures, policies implemented to avoid compliance, special interest projects or programs that benefit less than the majority.
 - a. The Fire Chief will review professional services/consulting agreements for efficiency and effectiveness. The evaluation may include staffing options, ongoing knowledge of District operations, and consideration for additional services.
6. Recover cost of providing services - District operations will be run on a basis devoted to increase efficiency of service delivery or recover the cost of providing the service by a user fee or charge, insofar as such user fees or charges are permitted by the Special District Act and other applicable law.
7. Cash reserves - The District will maintain cash reserves in order to avoid borrowing for general operating purposes.
8. Year-end accruals - Other than as required by Generally Accepted Accounting Principles, the District will not increase accruals and non-cash enhancements to revenues in order to influence fund balances at year end.
9. Inventories - The District will maintain accurate inventories of capital assets, their condition, life span and cost.

10. Cash management systems - The Staff will develop, maintain and constantly seek to improve cash management systems which ensure the accurate and timely accounting, investment, and security of all cash assets. All cash received by the District departments will be deposited to the Finance Department daily.

11. Competition and the service provided - The District will review Programs periodically in order to reduce needless competition with other public and private providers and to ensure the most cost-effective and efficient provision of services.

12. Citizen input - An effective and comprehensive periodic citizen services needs assessment will be conducted in order to ensure that District service priorities keep pace with the dynamic needs of the community. The result of this needs assessment will be considered for approval by the District Board and may become an integral part of the budget and financial planning of the District.

13. Procurement Procedure – All purchases will be reviewed prior to commitment to buy to ensure they do not exceed the Board approved budget. No order shall be placed by any District employee, volunteer, contractor or representative that in any way encumbers or obligates the District until after that person has received an approved purchase order. The District will not be held responsible for any order placed by any employee, volunteer, contractor or representative if the vendor has not received an approved purchase order before delivery of services or goods. The following policies will provide guidelines for all procurement:

- a. Local preference - When all other factors are the same, the District encourages staff to purchase locally if the cost is within 10% of other bids on items up to \$25,000. Factors may include quality of product, quality of service, delivery, maintenance, and other issues that may be relevant.
- b. Recycle - The District encourages recycling and environmental concerns. When all other factors are the same, the District encourages staff to purchase recycled products if the cost is within 10% of other bids on items up to \$25,000.
- c. Purchase order approvals - Requests for purchase orders will be approved in accordance with the predetermined spending limits established by the Fire Chief.
 - i. Exceptions - Purchases within preapproved spending authority may be made through the District purchasing card for items approved in the budget. The cost of processing purchase orders, invoices and checks for payments make it practical that small purchases be exceptions to the procurement procedure.
 - ii. Purchases for a single vendor which exceed the purchasing limits on an annual basis must be approved by the Fire Chief and reported to the District Board.

d. Purchasing Limits – The following purchasing limits are established:

Amount	Approval
\$0 - \$25,000	Fire Chief
\$25,000.01 - \$50,000	District Board + 3 written quotes
\$50,000.01 and up: Professional Services	District Board + RFP
\$50,000.01 - \$100,000: Supplies or Capital Projects	District Board + 3 written bids
\$100,000.01 and up: Supplies or Capital Projects	District Board + RFP

e. Bids and Contracts - The District recognizes the need to use outside sources for providing professional services, constructing Capital Projects (vendors & contractors), and for providing services for day-to-day operations and maintenance. The District requires staff to solicit bids for any purchase of goods over \$100K and proposals for services over \$50K per engagement or annually. This requirement may be waived by the Board for ongoing service contracts where the past experience related directly to the District is a compelling reason to continue a service contract from year to year. Selection of vendors, contractors or consultants, may be based on past experience with the District, knowledge of the District and region, philosophy of the nature of the job, availability of time, quality of product, quality of service and material, maintenance, warranties, price and such other criteria as deemed appropriate for a particular public project. Selection of a vendor is subject District Board approval of the contract.

When an invitation for bid (goods over \$100,000) or request for proposal (services over \$50,000) is required, a notice will be published in a local newspaper within 45 days and not less than 10 days from the bid deadline. The request shall include an adequate description of the scope of work to be completed, any specifics which may be required of the vendor, including the amount of any bid bond, all contractual terms, and conditions applicable to the public project. Bids shall be opened publicly at the time and place designated in the invitation for bids. The amount of each bid and such other relevant information as may be specified by rules, together with the name of each bidder, shall be entered on a record and open to public inspection. After the time of the award, all bids and requests for proposal documents shall be open to public inspection, except for those part designated as confidential and proprietary in accordance with the Colorado Public (Open) Records Act. The District shall not be obligated to select the lowest bidder, but shall select based on the established criteria in the invitation to bid or request for proposal. Bidders may be disqualified for past failure to follow proper change order processes. The District will use electronic means (i.e. internet, email, *etc.*) to inform potential vendors and may use technology to improve transparency and purchasing efficiencies for the District.

- f. State Bid and other governmental group purchasing – When available the District may use State Bid and other similar governmental group purchasing system in lieu of the bid, quote and RFP requirements described above.
- g. Emergencies - In the event of natural disasters, accidents or other emergencies where the health, safety or welfare of the community is at risk, the Fire Chief may waive the procurement requirements. The Fire Chief will notify the Board of any emergency immediately, identifying the nature of the emergency and any purchase that may be required.
- h. Travel – Consideration of the lowest cost to the District will be made when traveling for District business. When employees travel outside Weld County, they are required to use a District vehicle if available and practical. Only if no fleet vehicles are available will the District reimburse employees for mileage at the approved IRS rate with prior Fire Chief approval. Out-of-District per diem will be paid at the approved IRS reimbursement level. Per Diem is reimbursement for all meals and incidentals, no additional reimbursements will be approved. Lodging should be prepaid by District check or purchasing card when possible in order to avoid taxes. Lodging reimbursements may include one “reasonable” phone call home for each night you are out of District.
- i. Meals in District - The District shall restrict the purchase of meals locally to the following items, unless specifically approved by the Fire Chief:
 - i. Work related meetings with outside officials with Fire Chief approval.
 - ii. Preparation for District-wide events on weekends (such as July 4th or Evans Fest).
 - iii. Fire Chief and/or District Board members’ meetings with media, citizens, employees, Board and outside officials.
- j. Education and training - The District will fund adequate participation in professional organizations and training, as funding permits. The level of training and participation in organizations must be approved by the Fire Chief. Personnel training will be approved by the Fire Chief, and Fire Chief training will be approved by the Board. All training must be included and funded in the annual budget.
- k. Education and training for Board - The District is committed to professional and progressive leadership. In order to maintain the District’s position as leaders in the community and region, it may be beneficial to provide training for the District Board regarding key management and or technical issues. Board member training expenses will be included in the annual budget.
- l. Computers, software, & peripheral purchases - All District-wide computer, software, & peripheral related purchases must be approved by the Systems Administrator with final approval from the Fire Chief.

14. Disposition of Surplus Property – “Surplus property” is defined as tools, equipment, vehicles, apparatus or other forms of personal property that, whether due to the age, condition, obsolete technology, changed operations or otherwise, no longer further the District's emergency services or otherwise promote the efficient and effective conduct of the District's operations. On its own initiative, or when requested by Chief Staff, the Board may, by motion or resolution, declare personal property to be surplus and authorize the Chief to dispose of the surplus property by auction, sale under sealed bid, internet auction, negotiated sale, trade-in, donation or scrap. Scrap property has no value other than value of the material itself.

Employees, volunteers and Board members have the same rights as the general public in purchasing surplus property when the property is offered through disposition methods described above except by sealed bid or negotiated sale. Employees, volunteers and Board members must not engage in actions related to the disposition of surplus property that is an actual or perceived conflict of interest or allegation of an unfair advantage in the purchase or receipt of surplus property. Employees, volunteers and Board members shall not participate in disposition by sealed bid or negotiated sale.

VI. Capital Planning & Budgeting Policies

A. INTRODUCTION

The Capital Improvement Plan ("CIP") has a significant impact on the image of the District. The following policies are designed to ensure that current and future projects are maintained at a quality level and that capital projects do not restrict the District's ability to provide basic services. The District must preserve its current physical assets and plan in an orderly manner for future capital investments, including the operating costs associated with these projects. In addition to amenity improvements, the District must make the capital investment needed to support and enhance the delivery of basic services. For budgeting purposes, capital expenditures include buildings, land, major equipment and other items that have a value of over \$100,000 and have a life greater than one year. For accounting purposes (in accordance with GAAP), capital expenditures include buildings, land, major equipment and other items that have a value of over \$5,000 and have a life greater than one year.

B. POLICIES

The planning, funding and maintenance of all capital projects shall be based on the following policies:

1. Bond rating - The District will, to the extent practicable, maintain a strong bond rating that is consistent with other District goals.

2. Five-year capital plans - Each department with capital expenditures will develop and maintain five-year capital plans, including sources of funding and maintenance.
3. Citizen involvement - The CIP development process will provide for the full participation of any citizen and or Committee appointed by District Board.
4. Details of plan - The District will prepare and update annually a District five-year CIP that identifies needs for capital replacement and additions. The CIP lists all anticipated capital expenditures, total estimated cost, the year in which it will be started, the amount expected to be expended in each year, and the proposed method of financing these expenditures. Methods of financing can include bonding, certificates of participation, lease-purchases, pay-as-you-go (e.g. taxes, current revenues, cash balances), or other.
5. Current capital budget - The District will prepare an annual Capital Budget that will include current year capital expenditures and sources of funds based on the current year of the CIP.
6. Include future maintenance - As part of the annual Capital Budget, the District will identify and include full costs of future maintenance needs and operating costs of new capital facilities and equipment prior to funding as part of the annual Capital Budget. It is essential to recognize that many smaller projects can have a significant impact on the existing staffing and maintenance levels when considering the total impact. All capital projects will identify the maintenance requirements in terms of staffing (hours per week) and Supplies & Services.
7. Identify project funding - Staff will identify the estimated costs and funding sources for each capital project proposal before it is submitted to Board for consideration, including initial construction and ongoing maintenance.
8. AMP - The District will develop an AMP that protects capital investment and minimizes future maintenance and replacement costs. The District will maintain accurate information on the condition, life span use and replacement cost of their capital assets to assist in long term planning. The AMP also will indicate future major repairs and their costs, utility costs and other operating costs.
 - a. Equipment replacement - The District will estimate its equipment replacement (items over \$5,000 and under \$100,000 with a life greater than one year). From this projection, a maintenance schedule will be developed and followed.
 - b. Cash for equipment - Equipment replacement should be planned on a cash basis. Equipment should be replaced on a useful life basis considering optimum trade-in value and maintenance costs.

9. Planned funding - The budget will provide sufficient funding for adequate maintenance and scheduled replacement and enhancement of capital plant and equipment. Whenever the AMP identifies there is a significant discrepancy between the need to maintain/modernize District infrastructure or facilities and the funds available for such improvements, staff will prepare and present to Board a strategy for meeting such needs. The LRPs will include all costs identified in the AMP.

10. Major Maintenance - Although the annual operating budget should provide for adequate maintenance of capital, plant, and equipment, eventually a major expenditure will be required. It is appropriate to consider these types of major expenditures when developing the CIP.

11. Capital priority - In general, the following guidelines will be used to identify capital priorities: safety, complete existing projects, maintenance of existing capital facilities, extensions of existing systems and new projects. Maintenance should be given priority over acquisition of new facilities, unless a cost/benefit analysis indicates to the contrary. State, Federal and local mandates or new service demands may require acquisition of new facilities or new construction even when maintenance needs are not fully met. Unique opportunities may arise which should be considered as a priority particularly if there is community support for acquisition. Maintenance of facilities should take priority over operating Programs if deferring maintenance will result in greater costs to restore or replace neglected facilities.

12. Consistency with District policies and impact on community - The District will identify the ongoing costs and benefits that may be associated with each capital project to determine its consistency with other District policies and the impact on the community as a whole.

13. Long-term debt - Long term debt is a liability that places a future contractual or other obligation against future revenues of the District. For example, long-term debt includes liabilities arising from bonds, certificates of participation, lease purchase agreements and installment purchase contracts.

- a. Use for capital - The District will confine long-term borrowing related to capital improvements or projects for those which cannot be financed from current revenues.
- b. Debt restrictions - The District will not use long term debt (debt that has a contractual life of greater than 12 months) for current or annual operations. This includes items such as the following: payroll expenses and ongoing operating costs (for example: utilities, fuel, minor facility or apparatus maintenance). Any major maintenance which is considered a capital addition by accounting standards, may be financed by long term debt, at the discretion of the Board.

- c. Annual review - The District will conduct an annual review of its debt taking into consideration current market rates and future cash flows.

VII. Investment Policies

A. INTRODUCTION

The purpose of this investment policy is to establish guidelines for the purchase and sale of investments for all District funds.

Legality

The investment Program for the District shall operate in conformance with federal, state, and other legal requirements, including the Colorado Revised Statutes sections 11-10.5-101 et seq. and 24-75-601 et seq., as amended, and the District's service plan.

B. POLICIES

This investment policy applies to the investment of all District funds, excluding the investment of employee/volunteer retirement funds. Proceeds from certain bond issues are covered by separate agreements.

Pooling of Funds

Except for cash in certain restricted and special funds, the District will, to the extent permitted by applicable law, consolidate cash and reserve balances from all funds to maximize investment earnings and to increase efficiencies with regard to investment pricing, safekeeping, and administration. Investment income will be allocated to the various funds based on their respective participation and generally accepted accounting principles (GAAP).

C. OBJECTIVE:

The primary objectives of investment activities, in priority order, shall be safety, liquidity, yield, and local considerations.

1. Safety –Investments shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio. The objective will be to mitigate credit risk and interest rate risk.

- a. The District will minimize credit risk, the risk of loss due to the failure of the security issuer or backer, by:
 - i. Limiting investments to the types of securities listed in Section 8 of this Policy
 - ii. Pre-qualifying the financial institutions, broker/dealers, intermediaries, and advisers with which the District will do business in accordance with Section 6,

iii. Diversifying the investment portfolio to minimize the impact of potential losses from any one type of security or from any one individual issuer.

b. The District will minimize interest rate risk, the risk that the market value of securities in the portfolio will fall due to changes in market interest rates, by:

i. Structuring the investment portfolio so that securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities on the open market prior to maturity

ii. Investing operating funds primarily in shorter-term securities, money market mutual funds, or similar investment pools and limiting the average maturity of the portfolio in accordance with this policy

2. Liquidity - The investment portfolio shall remain sufficiently liquid to meet all operating requirements that may be reasonably anticipated. This is accomplished by structuring the portfolio so that securities mature concurrent with cash needs to meet anticipated demands (static liquidity). Furthermore, since all possible cash demands cannot be anticipated, the portfolio should consist largely of securities with active secondary or resale markets (dynamic liquidity). Alternatively, a portion of the portfolio may be placed in money market mutual funds or local government investment pools which offer same-day liquidity for short-term funds.

3. Yield - The investment portfolio shall be designed with the objective of attaining a market rate of return throughout budgetary and economic cycles, taking into account the investment risk constraints and liquidity needs. Return on investment is of secondary importance compared to the safety and liquidity objectives described above. The core of investments are limited to relatively low risk securities in anticipation of earning a fair return relative to the risk being assumed.

4. Local Considerations - Where practicable and in the best interest of the District, funds may be invested for the betterment of the local economy or that of local entities within Colorado. The Local Considerations Investment Program allows the District to accept proposals from eligible local financial institutions in order to reward local financial institutions that can document their commitments to private economic growth and local housing investment. The local financial institutions must be on the Public Deposit Protection Act list of qualified eligible financial institutions.

5. Standards of Care

a. Prudence -The standard of prudence to be used by investment officials shall be the "prudent person" standard and shall be applied in the context of managing the overall portfolio. The "prudent person" standard states that, "Investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived. Authorized District officials and employees/volunteers acting in

accordance with written procedures and this policy and exercising due diligence shall be relieved of personal responsibility for an individual security's credit risk or market price changes, provided deviations from expectations are reported in a timely fashion and the liquidity and the sale of securities are carried out in accordance with the terms of this policy.

- b. Ethics and Conflicts of Interest - Officers employees and volunteers involved in the investment process shall refrain from personal business activity that could conflict with the proper execution and management of the investment Program, or that could impair their ability to make impartial decisions. Employees, volunteers and investment officials shall disclose any material interests in financial institutions with which they conduct business. They shall further disclose any personal financial or investment positions that could be related to the performance of the investment portfolio. Employees and volunteers shall refrain from undertaking personal investment transactions with the same individual with whom business is conducted on behalf of the District.
- c. Delegation of Authority - Authority to manage the investment Program is granted to the District Treasurer, who shall act in accordance with established written procedures and internal controls for the operation of the investment Program consistent with this policy and applicable law. Procedures should include references to safekeeping, delivery vs. payment, investment accounting, wire transfer agreements and collateral/depository agreements. No person may engage in an investment transaction except as provided under the terms of this policy and the procedures established by the District Treasurer. The District Treasurer shall be responsible for all transactions undertaken and shall establish a system of controls to regulate the activities of subordinate officials.

6. Authorized Broker/Dealers - To be eligible, a firm must meet at least one of the following criteria:

- a. be recognized as a Primary Dealer by the Federal Reserve Bank of New York, or have a Primary Dealer within their holding company structure;
- b. report voluntarily to the Federal Reserve Bank of New York, or
- c. qualify under Securities and Exchange Commission (SEC) Rule 15c-3 (Uniform Net Capital Rule).

Broker/dealers will be selected by the District Treasurer on the basis of their expertise in public cash management and their ability to provide services for the District's account. Approved broker/dealers and the firms they represent shall be licensed to do business in the State of Colorado and as such are subject to the provisions of the C.R.S, including but not limited to Part 6 of Article 75 of Title 24, C.R.S.

Each authorized broker/dealer shall be required to submit and annually update a District approved Broker/Dealer Information Request form which includes the firm's most recent financial statements. The District's Treasurer shall maintain each approved firm's most recent Broker/Dealer Information Request form. In the event that an external investment advisor is

not used in the process of recommending a particular transaction for the District's portfolio, authorized broker/dealers shall attest in writing that they have received a copy of this policy.

7. Financial Institutions and Depositories –

Any financial institution or depository providing investment services to the District must qualify as an eligible public depository as defined in C.R.S 11-10.5-103.

8. Minority and Community Financial Institutions - From time to time, the District Treasurer may choose to invest in instruments offered by minority and community financial institutions. In such situations, a waiver to certain parts of the criteria under Paragraph 1 may be granted, provided that all applicable laws are complied with at all times. All terms and relationships will be fully disclosed prior to purchase and will be reported to the appropriate entity on a consistent basis and should be consistent with state or local law. These types of investment purchases should be approved by the District Board in advance.

9. Safekeeping & Custody - The District Board shall select one or more banks to provide safekeeping and custodial services for the District. A District approved Safekeeping Agreement shall be executed with each custodian bank prior to utilizing that bank's safekeeping services. To be eligible for designation as the District's safekeeping and custodian bank, a financial institution shall qualify as a depository of public funds in the State of Colorado as defined in CRS 24-75-603 et seq.

Custodian banks will be selected on the basis of their ability to provide services for the District's account and the competitive pricing of their safekeeping related services.

The purchase and sale of securities and repurchase agreement transactions shall be settled on a delivery versus payment basis. It is the intent of the District that all securities be perfected in the name of the District. Sufficient evidence to title shall be consistent with modern investment, banking and commercial practices.

All investment securities, except Certificates of Deposit, Money Market Funds, and Local Government Investment Pools, purchased by the District will be delivered by either book entry or physical delivery and will be held in third-party safekeeping by a District approved custodian bank, its correspondent bank or its Depository Trust Company (DTC) participant account.

All Fed wireable book entry securities owned by the District shall be evidenced by a safekeeping receipt or a customer confirmation issued to the District by the custodian bank stating that the securities are held in the Federal Reserve system in a CUSTOMER ACCOUNT for the custodian bank which will name the District as "customer."

All DTC eligible securities shall be held in the custodian bank's Depository Trust Company (DTC) participant account and the custodian bank shall issue a safekeeping receipt evidencing that the securities are held for the District as "customer."

All non-book entry (physical delivery) securities shall be held by the custodian bank's correspondent bank and the custodian bank shall issue a safekeeping receipt to the District evidencing that the securities are held by the correspondent bank for the District as "customer."

10. Internal Controls - The District Treasurer is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the District are protected from loss, theft or misuse. Details of the internal controls system shall be documented in an investment procedures manual and shall be reviewed and updated by the District Treasurer annually. The internal control structure shall be designed to provide reasonable assurance that these objectives are met. The concept of reasonable assurance recognizes that (a) the cost of a control should not exceed the benefits likely to be derived and (b) the valuation of costs and benefits requires estimates and judgments by management.

The internal controls structure shall address the following points:

- Control of collusion;
- Separation of transaction authority from accounting and recordkeeping;
- Custodial safekeeping;
- Avoidance of physical delivery securities;
- Clear delegation of authority to subordinate staff members;
- Written confirmation of transactions for investments and wire transfers; and
- Development of a wire transfer agreement with the lead bank and third-party custodian.

Accordingly, the District Treasurer shall establish a process for an annual independent review of compliance with the Policy and its internal control procedures by an external auditor.

11. Suitable & Authorized Investments

Investment Types - The following investments will be permitted by this policy and are defined by state and local law, where applicable. If any aspect of one or more of the following investments is inconsistent with applicable law, applicable law shall control.

- U.S. Treasury bills, Treasury notes, Treasury bonds, and Treasury STRIPS with maturities not exceeding five years from the date of trade settlement;

- U.S. government agencies with a final maturity not exceeding five years from the date of trade settlement issued by the Government National Mortgage Association (GNMA).;
- U.S. instrumentality obligations (debentures, discount notes, callable securities, step-up securities, and stripped principal or coupons) with maturities not exceeding five years from the date of trade settlement issued by the following only: Federal National Mortgage Association (FNMA), Federal Farm Credit Banks (FFCB), Federal Home Loan Banks (FHLB), and Federal Home Loan Mortgage Corporation (FHLMC). Federal Instrumentality Securities shall be rated in the highest rating category by at least two Nationally Recognized Statistical Rating Organizations (NRSROs), and shall be rated not less by any NRSRO that rates the debt.;
- Certificates of deposit and other evidences of deposit at financial institutions, with maturities not exceeding five years, in FDIC insured state or nationally chartered banks or savings banks. Certificates of Deposit exceeding the FDIC insured amount shall be collateralized in accordance with the Colorado Public Deposit Protection Act;
- Repurchase agreements with maturities of 180 days or less collateralized by U.S. Treasury Obligations and Federal Instrumentality Securities listed above with the maturity of the collateral not exceeding 10 years. For the purpose of this section, the term collateral shall mean purchased securities under the terms of the District approved Master Repurchase Agreement. The purchased securities shall have a minimum market value including accrued interest of 102 percent of the dollar value of the transaction. Collateral shall be held in the District's custodian bank as safekeeping agent, and the market value of the collateral securities shall be marked-to-the-market daily.

Repurchase Agreements shall be entered into only with dealers who have executed a District approved Master Repurchase Agreement with the District and who are recognized as Primary Dealers by the Federal Reserve Bank of New York, or have a Primary Dealer within their holding company structure. Repurchase Agreement counterparties, if rated, shall have a short-term credit rating of at least A-1 or the equivalent and a long-term credit rating of at least A or the equivalent. The Chief Financial Officer shall maintain a copy of the District's approved Master Repurchase Agreement along with a list of the broker/dealers who have an executed Master Repurchase Agreement with the District.

The District may utilize Tri-party Repurchase Agreements provided that the District is satisfied that it has a perfected interest in the securities used as collateral and that the District has a properly executed Tri-party Agreement with both the counterparty and custodian bank.

- Corporate bonds with a maturity not exceeding three years from the date of trade settlement, issued by any corporation or bank organized and operating within the United States. The debt must be rated at least AA- or the equivalent by at least two NRSROs, and rated not less by any NRSRO that rates it. In addition, AAA rated FDIC guaranteed corporate bonds are herein authorized, within the aforementioned maturity requirements.

- Money market mutual funds registered under the Investment Company Act of 1940 that 1) are "no-load" (i.e. no commission or fee shall be charged on purchases or sales of shares); 2) have a constant net asset value per share of \$1.00; 3) limit assets of the fund to securities authorized by state statute; 4) have a maximum stated maturity and weighted average maturity in accordance with Rule 2a-7 of the Investment Company Act of 1940; and 5) have a rating of AAAM or the equivalent.
- Local government investment pools , authorized under CRS 24-75- 702, that 1) are "no-load" (i.e. no commission or fee shall be charged on purchases or sales of shares); 2) have a constant net asset value per share of \$1.00; 3) limit assets of the fund to securities authorized by state statute; 4) have a maximum stated maturity and weighted average maturity in accordance with Rule 2a-7 of the Investment Company Act of 1940; and 5) have a rating of AAAM or the equivalent.

Collateralization - Where allowed by the Colorado Public Deposit Protection Act (PDPA) Section 11-10.5-101 et seq., full collateralization will be required on all demand deposit accounts, including checking accounts and non-negotiable certificates of deposit.

12. Investment Parameters

- a. Diversification - The investments may be diversified by:
 - i. limiting investments to avoid over concentration in securities from a specific issuer or business sector (excluding U.S. Treasury securities),
 - ii. limiting investment in securities that have higher credit risks,
 - iii. investing in securities with varying maturities, and
 - iv. continuously investing a portion of the portfolio in readily available funds such as local government investment pools (LGIPs) or money market fund to ensure that appropriate liquidity is maintained to meet ongoing obligations.
- b. Maximum Maturities - To the extent possible, the District shall attempt to match its investments with anticipated cash flow requirements. Unless matched to a specific cash flow, the District will not directly invest in securities maturing more than five years from the date of trade settlement in accordance with state statutes.

Because of inherent difficulties in accurately forecasting cash flow requirements, a portion of the portfolio should be continuously invested in readily available funds such as local government investment pools or money market funds to ensure that appropriate liquidity is maintained to meet ongoing obligations.

- c. Competitive Bids - Each investment transaction shall be competitively transacted with authorized broker/dealers. At least three broker/dealers shall be contacted for each transaction and their bid and offering prices shall be recorded.

If the District is offered a security for which there is no other readily available competitive offering, then the Treasurer will document quotations for comparable or alternative securities.

13. Policy Considerations - Any investment currently held that does not meet the guidelines of this investment policy shall be exempted from the requirements of this investment policy. At maturity or liquidation, such monies shall be reinvested only as provided by this investment policy.

14. Approval of Investment Policy - This investment policy shall be formally adopted by resolution approved by the affirmative majority vote of the District Board members. Any future changes must be approved by the affirmative majority vote of the District Board members.

15. Documentation to be maintained by the District Treasurer

- Internal Controls Procedures Manual,
- Listing of authorized personnel,
- Relevant investment state statutes,
- Listing of authorized broker/dealers and financial institutions/depositories,
- Broker/Dealer Information form,
- Credit studies for securities purchased and financial institutions used,
- Safekeeping agreements,
- Wire transfer agreements,
- Sample investment reports,
- GFOA Recommended Policies.