



Evans Fire Protection District  
2013 Budget Book



# Evans Fire Protection District

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## Board of Directors

**Mary Achziger, Board President**

*Seated on Board through 2016*

**David W James, Vice-President**

*Seated on Board through 2014*

**Tricia Watson, Treasurer**

*Seated on Board through 2014*

**Greg Bledsoe, Secretary**

*Seated on Board through 2014*

**Director Steve Bernardo**

*Seated on Board through 2016*

## District Staff

**Warren D. Jones**, Fire Chief/Chief Executive Officer

**Sharon Bowles**, Administrative Assistant

**Jay Deibel**, A Shift Captain

**Brian Eckstine**, B Shift Captain

**Lance Homann**, C Shift Captain

**Ryan Fuller**, Training Captain

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# Table of Contents

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Transmittal Letter .....	2
2013 Budget Overview .....	4
General Fund.....	6
General Fund Revenue Summary .....	9
Capital Replacement Fund .....	13
Training Facility Fund.....	15
Volunteer Firefighter Pension Fund .....	16

## ***Attachments***

Attachment A – 2013 Budget Summary .....	17
Attachment B – Revenue & Expense Trends.....	18
Attachment C – Summary of Personnel Positions .....	19
Attachment D – Summary of Personnel Expenditures .....	20
Attachment E – Volunteer Firefighter Stipends.....	21
Attachment F – Summary of Supplies and Services .....	22
Attachment G – Asset Management Plan .....	23
Attachment H – Fees Schedule .....	24
Attachment I – Key Performance Indicators.....	25
Attachment J – 2013 Budget Resolution .....	26
Attachment K – Financial Policies.....	28

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October 22, 2012

Honorable Board President, Directors, Citizens and Members,



It is our pleasure to present the 2013 budget for the Evans Fire Protection District. This budget represents the second year of full District operations as an independent organization and the first year with full funding from 15.5 mills of property tax and City Intergovernmental Agreement (IGA) contribution as outlined in the approved Service Plan. Effective January 1, 2013, the City of Evans will transfer all costs and physical assets of fire protection and emergency services to the District including all personnel, volunteers, equipment, apparatus, light vehicles, and facilities. In accordance with the Service Plan, this budget continues the IGA with the City for the majority of the administrative services. Most importantly, this budget allows us to continue the 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 2013 budget was developed with the specific objectives shown below.

- 1. Establish and fund a capital replacement program (fire truck and breathing apparatus)**
- 2. Increase on-duty staffing**
- 3. Increase maintenance and replacement of equipment**
- 4. Maintain personnel compensation and benefits system**

As described in the 2013 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 \$2,149,498 in expenditures and \$2,575,085 in revenue. Included, is a one-time contribution from the City's emergency contingency fund of \$300,000 to assist with building an adequate reserve for the District. This contribution allows the District's operating reserve to be fully funded in accordance with the Board of Director's Financial Policies. This operating reserve also includes the required TABOR reserve of 3 percent of revenue.

The 2013 budget shows projected revenue and future expenditures, including new capital replacement programs for major fire apparatus and self-contained breathing apparatus. The 2014 and future budgets will show more detailed expenditures based on plans developed in 2013. This is the first step in implementing a fully funded and self-sustaining capital replacement program.



This budget also includes an additional three part-time firefighter positions which will increase the total number of part-time firefighters to the nine proposed in the Service Plan. Also included, are all costs of the District's personnel compensation system consistent with the Service Plan. Finally, in the five-year long range plan, the District will implement a Skill-Based-Pay system for full-time firefighters and company officers.

In early 2013, the Board will consider plans for improvements in our fire apparatus fleet as recommended in a fleet evaluation completed in late 2012. If immediate improvements and/or repairs are deemed necessary, staff may recommend a budget revision in 2013 to accomplish repairs or replacement of one or more pieces of major fire apparatus.

We'd like to recognize the efforts of the entire Budget Committee that worked tirelessly to develop this budget: Board President Mary Achziger, Board Treasurer Tricia Watson, Fire District Administrative Assistant Sharon Bowles, City of Evans Finance Jessie Pacheco, Captains Jay Deibel, Brian Eckstine, Ryan Fuller, Lance Homann, Firefighters Brandon Belfiore, Mike Brosig, Joe DeSalvo, Travis Guthrie, Hector Ibarra, Brad Krehbiel, Brian Lee, Shawn Walker, and Matt Wolfe.

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.

Respectively,



Warren D. Jones  
Fire Chief/CEO



Jessica Gonifas, CPA  
City of Evans  
Finance Director



# 2013 Budget Overview

This 2013 Budget Book has been prepared to allow the Fire Board, 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.

Developing the budget for the newly formed Evans Fire Protection District was a challenging and exciting process. 2013 marks the second year the District will be operating with its own budget, separate from the City of Evans. All staff members worked together to form an accurate and balanced budget for District operations. This process began with the formation of a Budget Committee and commenced with a thorough review of expenditures for the past three years to determine necessary expenditures. In addition, staff and Board members considered projects they would like to see developed in 2013 and associated expenditures. The long range plan for the District was heavily reviewed and considered in order to set priorities in the budget.



The largest contributor to District revenue is General Property Tax. The City of Evans and District Voters approved a transfer of 10 of the City of Evans' total 13.536 mills to the District. Combined with the 5.5 mills approved last November by the voters, the District is now able to operate independently and increase services provided to the citizens of Evans with a total mill levy of 15.5.



As stated in the Intergovernmental Agreement between the City of Evans and the Evans Fire Protection District, the City will make a yearly contribution to the District, as well as a one-time contribution to District reserves. The money placed in reserves is the District savings. This money fulfills the TABOR requirements and the financial policy requirements of three months of reserves.

Attachment A, **2013 Budget Summary**, gives a clear snapshot of the 2013 budget. Attachment B, **Revenue and Expense Trends**, outlines the key budget areas for the next five years.

For 2013, the personnel budget includes funding for employee merit and the hiring of three additional part-time firefighters. Attachment C, **Summary of Personnel Positions**, identifies the approved positions for the District. Attachment D, the **Summary of Personnel Expenditures**, identifies the total cost to the District for all positions, including projected overtime and benefits.

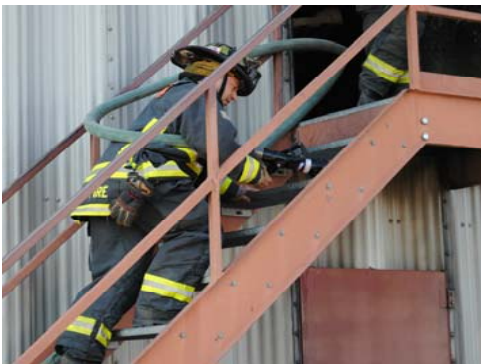
Attachment E, **Volunteer Firefighter Stipends**, details the Volunteer Firefighter Program and the monthly stipends volunteer firefighters receive for their service.

Attachment F, **Summary of Supplies and Services Expenditures**, shows the District budget for supplies and services of \$388,999. To establish this budget, staff reviewed receipts from expenditures over the past three years to develop an accurate projection of 2013 expenditures. This figure also includes the budget for Board Operations & District Administration.

District staff has developed an **Asset Management Plan**, Attachment G, 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 2013, 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 Appendix H 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. Because 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.

At the end of this document is the **Budget Resolution**, Attachment J, as presented to the Board of Directors at the Budget Hearing on October 22, 2012. After review of the 2013 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 K is a copy of the Board of Directors **Financial Policies** which outline the procedures to be followed in developing and approving a District budget.







# General Fund

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## 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.

### *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), nine (9) part-time firefighters and officers, one training and volunteer coordinator (captain) and one assistant chief (vacant in 2013). Positions for 36 volunteer firefighters are authorized in emergency response operations although not all positions are filled at any given time. Emergency response is provided primarily from Station 2 at 2100 37<sup>th</sup> 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.



**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.

**Administration** – Includes all administrative support for emergency operations, fire prevention, and emergency management. Current staffing includes the Fire Chief and one half-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.

**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 I** 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 six (6) on-duty officers and firefighters and one (1) available (on-duty or from home) command officer 90% of the time.
- Citizen satisfaction: Maintain a 95% overall satisfaction of citizens who receive emergency services.
- Professional qualifications: Maintain minimum professional qualifications for (1) all full-time line personnel of Colorado Firefighter I, Basic Emergency Medical Technician, Hazardous Materials Operations and Car Seat Technician, (2) all part-time line personal of Colorado Firefighter I, Basic Emergency Medical Technician and Hazardous Materials Operations, and (3) emergency response volunteer firefighters of Colorado Firefighter I and Hazardous Materials Operations.



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

	2012 Budget V2	2012 Projected	2013 Budget	2014 Projected	2015 Projected	2016 Projected	2017 Projected
Beginning Fund Balance	-	-	213,965	639,551	701,887	746,702	735,211
<b>Revenues:</b>							
General Property Tax	601,282	601,282	1,709,123	1,726,214	1,743,476	1,760,911	1,778,520
Specific Ownership Tax	44,693	41,307	116,405	116,405	116,405	116,405	116,405
City of Evans IGA	1,421,916	1,421,916	440,375	449,623	459,065	468,706	478,549
Interest Earned	2,068	2,068	1,682	15,989	17,547	18,668	18,380
LaSalle IGA	3,000	3,000	6,000	6,000	6,000	6,000	6,000
Permit Fees	1,500	1,500	1,500	1,500	1,500	1,500	1,500
Miscellaneous	14,310	14,310	-	-	-	-	-
One time payments from Evans <sup>1</sup>	16,000	16,000	300,000	-	-	-	-
<b>Total revenues</b>	<b>2,104,769</b>	<b>2,101,382</b>	<b>2,575,085</b>	<b>2,315,731</b>	<b>2,343,994</b>	<b>2,372,189</b>	<b>2,399,354</b>
<b>Total Annual Increase</b>			<b>22%</b>	<b>-10%</b>	<b>1%</b>	<b>1%</b>	<b>1%</b>
<b>Expenditures:</b>							
Board Stipends	6,513	6,513	6,513	6,513	6,513	6,513	6,513
Board Operations	84,038	84,038	74,874	80,470	76,074	81,683	82,299
Board Contingency	12,165	12,165	10,000	10,000	10,000	10,000	10,000
<b>Total District Admin</b>	<b>102,717</b>	<b>102,717</b>	<b>91,387</b>	<b>96,984</b>	<b>92,587</b>	<b>98,197</b>	<b>98,813</b>
			<b>-11%</b>	<b>6%</b>	<b>-5%</b>	<b>6%</b>	<b>1%</b>
Operations Personnel	1,386,499	1,326,409	1,498,242	1,607,327	1,660,030	1,727,833	1,785,287
Operations Supplies & Services	335,947	335,947	314,125	321,593	327,010	332,522	335,801
<b>Total District Operations</b>	<b>1,722,446</b>	<b>1,662,356</b>	<b>1,812,367</b>	<b>1,928,920</b>	<b>1,987,040</b>	<b>2,060,355</b>	<b>2,121,087</b>
			<b>5%</b>	<b>6%</b>	<b>3%</b>	<b>4%</b>	<b>3%</b>
Asset Management Plan	84,345	84,345	62,506	84,189	37,892	55,616	90,750
Apparatus Replacement Lease	90,000	-	85,975	85,550	83,450	86,600	84,975
<b>Total Operating Expenditures</b>	<b>1,999,508</b>	<b>1,849,418</b>	<b>2,052,234</b>	<b>2,195,643</b>	<b>2,200,969</b>	<b>2,300,768</b>	<b>2,395,625</b>
<b>Total Annual Increase</b>			<b>3%</b>	<b>7%</b>	<b>0%</b>	<b>5%</b>	<b>4%</b>
Contribution to Capital Fund	28,000	28,000	87,114	47,450	87,753	72,299	33,025
Contribution to Training Facility Fund	10,000	10,000	10,150	10,302	10,457	10,614	10,773
<b>Total Expenditures</b>	<b>2,037,508</b>	<b>1,887,418</b>	<b>2,149,498</b>	<b>2,253,395</b>	<b>2,299,179</b>	<b>2,383,680</b>	<b>2,439,423</b>
<b>Total Annual Increase</b>		<b>-7%</b>	<b>5%</b>	<b>5%</b>	<b>2%</b>	<b>4%</b>	<b>2%</b>
<b>Excess Revenue Over (under)</b>							
<b>Expenditures <sup>2</sup></b>	<b>67,261</b>	<b>213,965</b>	<b>125,587</b>	<b>62,336</b>	<b>44,815</b>	<b>(11,491)</b>	<b>(40,069)</b>
<b>Ending Fund Balance</b>	<b>67,261</b>	<b>213,965</b>	<b>639,551</b>	<b>701,887</b>	<b>746,702</b>	<b>735,211</b>	<b>695,143</b>
CT	-	-	-	-	-	-	-
<b>Tabor Reserve (3% of revenue) <sup>3</sup></b>	<b>63,143</b>	<b>63,041</b>					
<b>Operating Reserve - 3 Months</b>			<b>515,596</b>	<b>551,486</b>	<b>552,856</b>	<b>577,845</b>	<b>601,599</b>
<b>Available Funds</b>	<b>4,118</b>	<b>150,923</b>	<b>123,955</b>	<b>150,401</b>	<b>193,846</b>	<b>157,366</b>	<b>93,543</b>

<sup>1</sup> 2012 - Funding to reach tabor reserve requirements, 2013 - Transfer related to decrease in City's required emergency funding and not used in calculation of "Excess Revenue Over (under) Expenditures"

<sup>2</sup> Includes Reserve Funding Requirements

<sup>3</sup> Tabor reserve is minimum reserve required until property tax transfer is complete at which time the operating reserve requirement will exceed the tabor reserve requirement

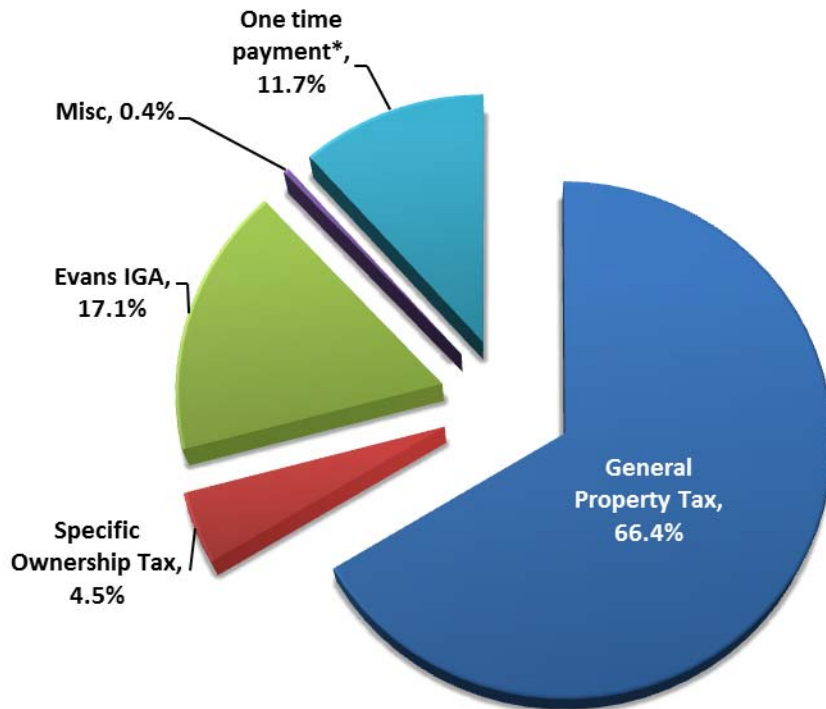


# General Fund Revenue Summary

## 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. In 2013 it also includes a one-time contribution of \$300,000 from the City to establish the District's operating reserve.

The IGA contribution from the City will be paid in four equal quarterly payments beginning January 1, 2013. The property tax revenue is received mostly in February and July.

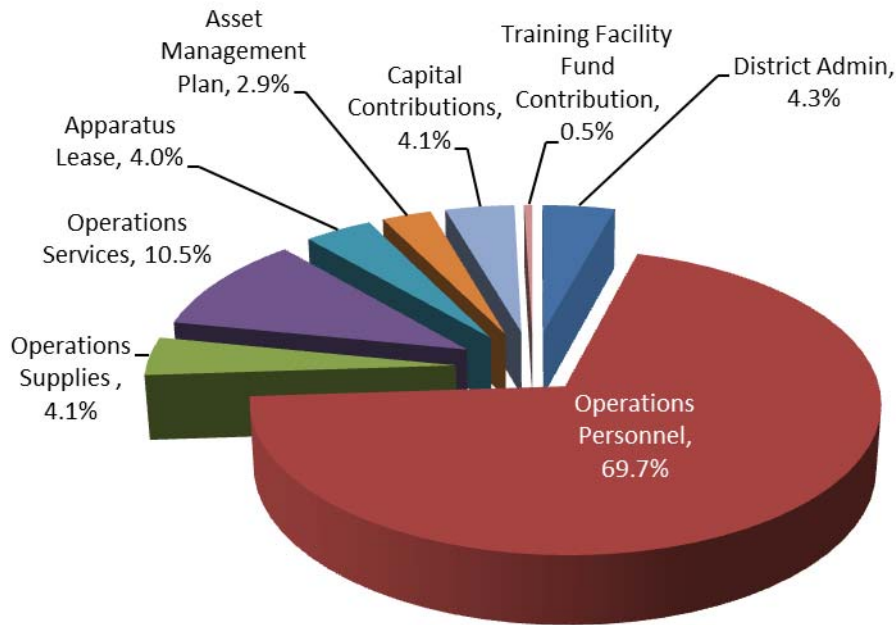


Revenue Source	Amount	Percentage
Gen Property Tax	\$1,709,123	66.4%
Specific Ownership Tax	\$ 116,405	4.5%
Evans IGA	\$ 440,376	17.1%
One-time Payment*	\$ 300,000	11.7%
Misc	\$ 9,182	0.4%
<b>Total Revenue</b>	<b>\$2,575,086</b>	<b>100%</b>

\*One-time contribution from the City's emergency contingency fund to establish District operating reserve.

## Expenditures

**Operating Expenditures** – Overall total expenditures is \$2,149,498. This is \$111,991 over 2012, a 5.0% increase. This increase is almost entirely in personnel costs including a 3% merit salary increase for full-time staff and an increase in health insurance cost.



Expenditure	Amount	Percentage
District Admin	\$ 91,387	4.3%
Operations Personnel	\$ 1,498,242	69.7%
Operations Supplies	\$ 89,200	4.1%
Operations Services	\$ 224,925	10.5%
Apparatus Lease	\$ 85,975	4.0%
Asset Management Plan	\$ 62,506	2.9%
Capital Contributions	\$ 87,114	4.1%
Training Facility Fund	\$ 10,150	.05%
<b>Total Expenditure</b>	<b>\$ 2,149,498</b>	<b>100%</b>





**District administration (Board) expenditures:** This includes Board member stipends, Weld County tax collection fees, banking fees, audit fees, Board training, legal expenditures, Board member insurance, and Board contingency. There is no election in 2013 and thus no projected election expenditures. In 2013, the district administrative expenditures will be \$91,387. This is less than 2012 due to a reduction in Board insurance and election expenditures.

**Operating personnel:** Operating personnel is the single largest category of expenditure at \$1,498,242. 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 long range plans (LRP), operating personnel expenditure also includes the implementation of the Skill-Based Pay system for full-time firefighters and officers in 2014 and 2015. The 2013 increase is primarily driven by a potential 3% merit increase and projected increase in health insurance costs. Attachment C shows the number of authorized positions in the LRP and pay ranges. The LRP does not show changes in position pay ranges that may be adopted by the Board in the future due to periodic market analysis.

The 2013 personnel estimate includes an 18% projected increase in health insurance. This may change as the final insurance renewal rates are acquired in November and the budget may need to be adjusted accordingly. If the actual insurance costs come in higher than budgeted, the insurance plan may be altered to decrease costs and/or increase employee contributions.

**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:** There are currently four pay ranges within the compensation system for full-time, benefited positions. These all represent what is called "open ranges". Because all of the full-time fire employees have relatively low tenure in their positions, the pay for each individual is in the lower half of the range. In 2014, full-time firefighters and captains will be converted to a skill-based pay plan similar to City police officers



and sergeants. With the exception of the fire chief and assistant fire chief, all are non-exempt positions for the purpose of the Fair Labor Standards Act.

**Operations supplies and services:** These include 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, vehicle maintenance contracts, and fuel purchased from the City. This budget is \$314,125. It is slightly less than 2012 due to the movement of some supplies and services to the asset management plan.

**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 2013 AMP proposes \$62,506. Attachment G shows the proposed five-year AMP. It is less than 2012 and what is shown in last year's LRP because the long-term replacement of our self-contained breathing apparatus (SCBA) has been moved to a capital program.

**Lease payment:** The lease payment for the first year of a 10-year agreement for the new Rosenbauer quint will be \$85,975. The final rates and terms are still under negotiation but the LRP reflects an estimate of these payments. The difference between the \$90,000 lease payment identified in the 2012 LRP and 2013 and future years has been shifted to the capital contribution.



**Reserves:** The reserve requirements are established in the District Financial Policies. The funds are required by TABOR to have a balance equal to 3% of actual General Fund revenues for the current year. The 2012 budget provides only the minimum TABOR reserve of 3% of revenues; \$63,041. In 2012, there is no excess operating reserve. When the full service transition period from the City is concluded and all personnel, equipment and facilities are transferred to the District, the IGA provides for a transfer of funds that will establish the Districts operating reserve. In 2013, this reserve will be fully funded. At a 2013 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

**Capital fund:** This fund is for the long-term replacement of major fire apparatus, equipment, and facilities. It currently includes two programs; fire truck replacement and self-contained breathing apparatus (SCBA) replacement. The proposed contribution to the capital fund in 2013 is \$87,114. This is much higher than the \$28,000 contribution in 2012. This is due to the inclusion of SCBA replacement as a capital program and an increase in the apparatus replacement fund due to savings in the quint lease payment. The Capital Replacement Fund long range plans show the projected revenue in this fund over the next 10 years in both programs. This plan also includes two projected expenses; a replacement pumper in 2014 and SCBA replacement in 2017. In 2013, staff will present more specific options on fully funding these projects. These may include applying the one-time savings from 2012 and 2013, reducing other expenditures and increasing the contribution from the general fund, use of reserves, full or partial leases and loans or some combination of these options.



The Capital Replacement Plan for major fire apparatus. As described in the description of the capital expenditures, this fund establishes a continuing funding stream for major apparatus replacement. In future years, the Board may wish to increase or decrease annual contributions to this fund to meet the needs of a fleet replacement plan. Also included here may be major renovations or additions to facilities, although none are yet planned in the budget.



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

	2012 Budget	2013 Budget	2014 Projected	2015 Projected	2016 Projected	2017 Projected	2018 Projected	2019 Projected	2020 Projected	2021 Projected	2022 Projected
Beginning Fund Balance	-	28,000	115,114	(287,436)	(199,683)	(127,384)	(294,359)	(256,359)	(218,359)	(180,359)	(142,359)
<b>Revenues:</b>											
Transfers In	28,000	87,114	47,450	87,753	72,299	33,025	38,000	38,000	38,000	38,000	38,000
<b>Total revenues</b>	28,000	87,114	47,450	87,753	72,299	33,025	38,000	38,000	38,000	38,000	38,000
Total Annual Increase		211%	-46%	85%	-18%	-54%	15%	0%	0%	0%	0%
<b>Expenditures:</b>											
Capital Replacement	-	-	450,000	-	-	200,000	-	-	-	-	-
<b>Total District Admin</b>	-	-	450,000	-	-	200,000	-	-	-	-	-
<b>Total Expenditures</b>	-	-	450,000	-	-	200,000	-	-	-	-	-
Total Annual Increase	-	-	450,000	-	-	200,000	-	-	-	-	-
<b>Excess Revenue Over (under) Expenditures</b>	28,000	87,114	(402,550)	87,753	72,299	(166,975)	38,000	38,000	38,000	38,000	38,000
<b>Ending Fund Balance</b>	28,000	115,114	(287,436)	(199,683)	(127,384)	(294,359)	(256,359)	(218,359)	(180,359)	(142,359)	(104,359)
CT	-	-	-	-	-	-	-	-	-	-	-

**2012-2022 Capital Improvement Plan Detail**

	2012 Budget	2013 Budget	2014 Projected	2015 Projected	2016 Projected	2017 Projected	2018 Projected	2019 Projected	2020 Projected	2021 Projected	2022 Projected
<b>FIRE TRUCK</b>											
Beginning Balance	-	28,000	60,525	(357,025)	(322,475)	(291,075)	(258,050)	(220,050)	(182,050)	(144,050)	(106,050)
<b>Revenues:</b>											
Transfers In (Contribution)	28,000	32,525	32,450	34,550	31,400	33,025	38,000	38,000	38,000	38,000	38,000
<b>Total Revenues</b>	28,000	32,525	32,450	34,550	31,400	33,025	38,000	38,000	38,000	38,000	38,000
<b>Expenditures:</b>											
Engine	-	-	450,000	-	-	-	-	-	-	-	-
<b>Total Expenditures</b>	-	-	450,000	-	-	-	-	-	-	-	-
<b>Ending Balance</b>	28,000	60,525	(357,025)	(322,475)	(291,075)	(258,050)	(220,050)	(182,050)	(144,050)	(106,050)	(68,050)
<b>SELF-CONTAINED BREATHING APPARATUS (SCBA)</b>											
Beginning Balance	-	-	54,589	69,589	122,792	163,691	(36,309)	(36,309)	(36,309)	(36,309)	(36,309)
<b>Revenues:</b>											
Transfers In (Contribution)	-	54,589	15,000	53,203	40,899	-	-	-	-	-	-
<b>Total Revenues</b>	-	54,589	15,000	53,203	40,899	-	-	-	-	-	-
<b>Expenditures:</b>											
SCBA	-	-	-	-	-	200,000	-	-	-	-	-
<b>Total Expenditures</b>	-	-	-	-	-	200,000	-	-	-	-	-
<b>Ending Balance</b>	-	54,589	69,589	122,792	163,691	(36,309)	(36,309)	(36,309)	(36,309)	(36,309)	(36,309)
<b>Total Ending Fund Balance</b>	28,000	115,114	(287,436)	(199,683)	(127,384)	(294,359)	(256,359)	(218,359)	(180,359)	(142,359)	(104,359)
CT	28,000	115,114	(287,436)	(199,683)	(127,384)	(294,359)	(256,359)	(218,359)	(180,359)	(142,359)	(104,359)





# Training Facility Fund

**Training Facility Fund:** The LRP below relates to the five-year training center fund. This includes an annual contribution from the general fund of \$10,150 and use fees of \$5,000 in 2013. Also detailed are the annual expenditures 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 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 Budget	2013 Projected	2014 Projected	2015 Projected	2016 Projected	2017 Projected
Beginning Fund Balance	-	5,000	10,000	15,000	20,000	25,000
<b>Revenues:</b>						
Training Facility Use Fees	5,000	5,000	5,000	5,000	5,000	5,000
Transfer from General Fund	10,000	10,150	10,302	10,457	10,614	10,773
<b>Total revenues</b>	<b>15,000</b>	<b>15,150</b>	<b>15,302</b>	<b>15,457</b>	<b>15,614</b>	<b>15,773</b>
<b>Total Annual Increase</b>		<b>1%</b>	<b>1%</b>	<b>1%</b>	<b>1%</b>	<b>1%</b>
<b>Expenditures:</b>						
Operating Supplies & Services	10,000	10,150	10,302	10,457	10,614	10,773
<b>Total District Admin</b>	<b>10,000</b>	<b>10,150</b>	<b>10,302</b>	<b>10,457</b>	<b>10,614</b>	<b>10,773</b>
		<b>1%</b>	<b>1%</b>	<b>1%</b>	<b>1%</b>	<b>1%</b>
<b>Total Expenditures</b>	<b>10,000</b>	<b>10,150</b>	<b>10,302</b>	<b>10,457</b>	<b>10,614</b>	<b>10,773</b>
<b>Total Annual Increase</b>		<b>1%</b>	<b>1%</b>	<b>1%</b>	<b>1%</b>	<b>1%</b>
<b>Excess Revenue Over (under)</b>						
<b>Expenditures</b>	5,000	5,000	5,000	5,000	5,000	5,000
<b>Ending Fund Balance</b>	<b>5,000</b>	<b>10,000</b>	<b>15,000</b>	<b>20,000</b>	<b>25,000</b>	<b>30,000</b>
CT	-	-	-	-	-	-



# Volunteer Firefighter Pension Fund

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

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

	2013 Budget	2014 Projected	2015 Projected	2016 Projected	2017 Projected
Beginning Fund Balance	480,615 <sup>1</sup>	480,028	473,155	461,569	461,569
<b>Revenues</b>					
Intergovernmental	33,994	33,994	33,994	33,994	33,994
Contributions/Inv Inc	128,000	128,000	128,000	128,000	128,000
<b>Total Revenues</b>	<b>161,994</b>	<b>161,994</b>	<b>161,994</b>	<b>161,994</b>	<b>161,994</b>
CT	161,994	161,994	161,994	161,994	161,994
Transfers In	-	-	-	-	-
<b>Total Available Funds</b>	<b>161,994</b>	<b>161,994</b>	<b>161,994</b>	<b>161,994</b>	<b>161,994</b>
<b>Expenditures</b>					
Pension Distributions	162,581	168,867	173,581	177,116	177,116
<b>Total Expenditures</b>	<b>162,581</b>	<b>168,867</b>	<b>173,581</b>	<b>177,116</b>	<b>177,116</b>
Transfers Out	-	-	-	-	-
<b>Excess Revenue Over (Under) Expenditures</b>	<b>(587)</b>	<b>(6,873)</b>	<b>(11,587)</b>	<b>(15,122)</b>	<b>(15,122)</b>
<b>Ending Fund Balance</b>	<b>480,028</b>	<b>473,155</b>	<b>461,568</b>	<b>446,447</b>	<b>446,447</b>
CT	480,028	473,155	461,568	446,447	446,447

<sup>1</sup> As transferred from the City of Evans on January 1, 2013.



# Attachment A – 2013 Budget Summary

Fund/Department	Revenue	Wages	Supplies & Services	Asset Management	Transfers	Debt	Capital	Miscellaneous <sup>1</sup>	Net Impact
<b>General Fund</b>									
Board Admin	-	6,513	84,874	-	-	-	-	-	(91,387)
Fire Operations	2,575,085	1,498,242	314,125	62,506	(97,264)	85,975	-	-	516,973
<b>Total General Fund</b>	<b>2,575,085</b>	<b>1,504,755</b>	<b>398,999</b>	<b>62,506</b>	<b>(97,264)</b>	<b>85,975</b>	-	-	<b>425,586</b>
Training Facility Fund	5,000	-	10,150	-	10,150	-	-	-	5,000
<b>Capital Fund</b>	-	-	-	-	<b>87,114</b>	-	-	-	<b>87,114</b>
Volunteer Firefighter Pension Func	161,994	-	-	-	-	-	-	162,581	(587)
<b>TOTAL FIRE DISTRICT</b>	<b>2,742,079</b>	<b>1,504,755</b>	<b>409,149</b>	<b>62,506</b>	<b>-</b>	<b>85,975</b>	-	<b>162,581</b>	<b>517,113</b>

<sup>1)</sup> Volunteer firefighter pension distributions

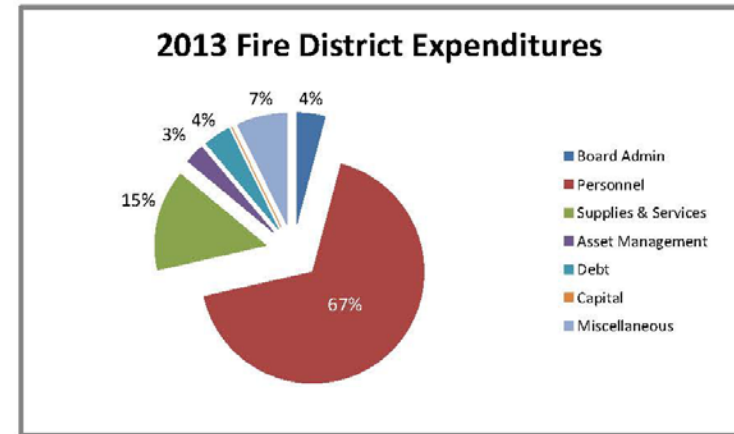
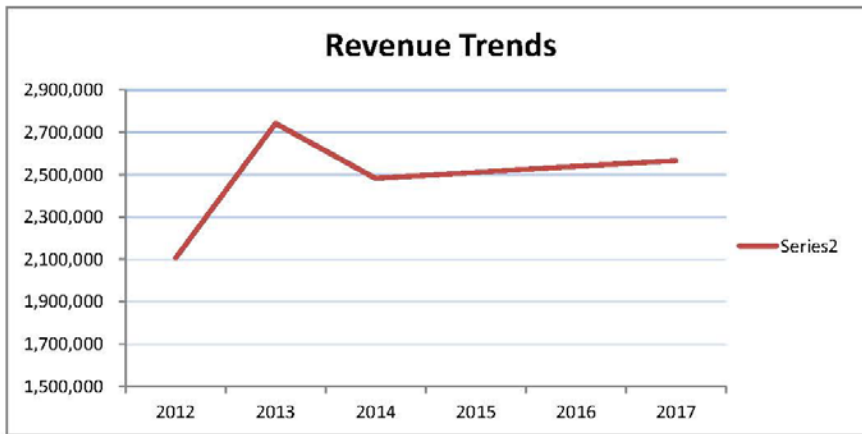




# Attachment B – Revenue & Expense Trends

Year	Revenue	Board Admin	Personnel	Supplies & Services	Asset Management	Debt	Capital	Miscellaneous <sup>3</sup>	Net Impact
2012 <sup>1</sup>	2,106,382	102,717	1,326,409	345,947	84,345	-	-	-	246,964
2013 <sup>2</sup>	2,742,079	91,387	1,498,242	324,275	62,506	85,975	-	162,581	517,113
2014	2,482,725	96,984	1,607,327	331,895	84,189	85,550	450,000	168,867	(342,087)
2015	2,510,988	92,587	1,660,030	337,467	37,892	83,450	-	173,581	125,981
2016	2,539,183	98,197	1,727,833	343,136	55,616	86,600	-	177,116	50,685
2017	2,566,348	98,813	1,785,287	346,574	90,750	84,975	200,000	177,116	(217,167)

\* Does not include intrafund transfers.



<sup>1)</sup> 2012 Board Adopted Budget.

<sup>2)</sup> 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.

<sup>3)</sup> Volunteer firefighter pension distributions.





# Attachment C – Summary of Personnel Positions

The following summary is to provide information regarding the number of employees by department.

Authorized Positions	2013 Pay Range	2012	2013	2014	2015	2016	2017
Fire Chief	\$96,400 <sup>1</sup>	1	1	1	1	1	1
Assistant Fire Chief	\$63,602 - \$89,494	1	1	1	1	1	1
Fire Captain	\$52,325 - \$73,627	4	4	4	4	4	4
Full-Time Firefighter	\$39,046 - 54,942	9	9	9	9	9	9
Part-Time Firefighter	\$10/hr	6	9	9	9	9	9
Part-Time Administrative Assistant	\$14/hr - \$17/hr	1	1	1	1	1	1
<b>Total Employees</b>		<b>22</b>	<b>25</b>	<b>25</b>	<b>25</b>	<b>25</b>	<b>25</b>

<sup>1</sup>) Fire Chief pay listed reflects current year pay. 2013 compensation will be set by the Board of Directors.

## Personnel Highlights

- For 2013 the position of Assistant Fire Chief will remain vacant. Throughout the year the four Fire Captains will rotate in the Assistant Fire Chief position.
- As the Part-Time Firefighter program moves forward staff will continue to evaluate the needs of the department and will request approval for additional Part-Time Firefighters as necessary.





# Attachment D – Summary of Personnel Expenditures

	2012 Projected	2013 Budget	2014 Projected	2015 Projected	2016 Projected	2017 Projected
<b>Personnel</b>						
Regular salary & benefits	1,069,401	1,125,910	1,195,070	1,247,772	1,302,799	1,360,252
Over-time	54,493	56,128	56,128	56,128	56,128	56,128
Part-time salary & benefits	104,766	184,887	184,887	184,887	184,887	184,887
Volunteer stipend	37,299	31,143	33,275	33,275	33,275	33,275
Acting Captain Pay	-	12,174	12,744	12,744	12,744	12,744
Skill based pay <sup>1</sup>	-	-	37,224	37,224	50,000	50,000
Volunteer pension	88,000	88,000	88,000	88,000	88,000	88,000
<b>Total Personnel</b>	<b>1,326,409</b>	<b>1,498,242</b>	<b>1,607,327</b>	<b>1,660,030</b>	<b>1,727,833</b>	<b>1,785,287</b>
	-4%	13%	7%	3%	4%	3%

<sup>1</sup> In 2014 and 2015, a skill based pay system will be implemented for full-time firefighters and captains. The step increments will be applied over the approved pay ranges with each increment equal to the total range divided by the number of step increments.





# Attachment E – Volunteer Firefighter Stipends

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The purpose of the volunteer firefighter program is..... The program is authorized to carry 36 volunteer firefighters. In 2013, we anticipate having approximately 20 active volunteers.

## 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.

<b>Certification Level</b>	<b>Amount</b>
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

<b>Experience</b>	<b>Amount</b>
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 Budget	2013 Budget	2014 Projected	2015 Projected	2016 Projected	2017 Projected
<b>Board Operations:</b>						
District Insurance	9,000	600	609	618	627	637
Audit	1,000	5,000	5,075	5,151	5,228	5,307
Weld tax collection fee (3%)	18,038	51,274	51,786	52,304	52,827	53,356
Banking	1,000	1,000	1,000	1,000	1,000	1,000
Legal	35,000	15,000	15,000	15,000	15,000	15,000
Directors training/conference	2,000	2,000	2,000	2,000	2,000	2,000
District election (biannual)	18,000	-	5,000	-	5,000	5,000
<b>Total District Admin</b>	<b>84,038</b>	<b>74,874</b>	<b>80,470</b>	<b>76,074</b>	<b>81,683</b>	<b>82,299</b>
<b>Operations:</b>						
<b>Supplies</b>						
Other operating	35,196	-	-	-	-	-
Clothing/uniforms	15,344	7,700	7,816	7,933	8,052	8,172
Food	3,000	7,650	7,765	7,881	7,999	8,119
Fuel	-	21,000	21,315	21,635	21,959	22,289
Janitorial	1,500	-	-	-	-	-
Vehicle maintenance	2,500	12,000	12,180	12,363	12,548	12,736
Office supplies	3,500	3,650	3,705	3,760	3,817	3,874
Building Maint Supplies	-	6,500	6,598	6,696	6,797	6,899
Equipment Maint Supplies	-	14,200	14,413	14,629	14,849	15,071
Medical supplies	3,500	6,000	6,090	6,181	6,274	6,368
PPE maintenance	12,000	10,500	10,658	10,817	10,980	11,144
<b>Total Supplies</b>	<b>93,340</b>	<b>89,200</b>	<b>90,538</b>	<b>91,896</b>	<b>93,275</b>	<b>94,674</b>
		-4%	1%	2%	1%	1%
<b>Services</b>						
Print/publishing	500	2,825	2,867	2,910	2,954	2,998
Postage	250	-	-	-	-	-
Professional services	12,000	12,100	12,282	12,466	12,653	12,842
IT Services	-	600	609	618	627	637
Advertising/public relations	3,500	-	-	-	-	-
Building maintenance	2,000	7,200	7,308	7,418	7,529	7,642
Equipment maintenance	-	9,920	10,069	10,220	10,373	10,529
Vehicle maintenance	35,000	15,000	15,225	15,453	15,685	15,920
Utilities	25,000	21,880	22,208	22,541	22,879	23,223
Memberships	1,500	2,893	2,936	2,980	3,025	3,070
Training	28,000	27,800	28,217	28,640	29,070	29,506
Health and fitness	15,000	18,600	18,879	19,162	19,450	19,741
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
City admin services	102,107	102,107	106,440	108,675	110,957	110,957
Misc. services	6,000	-	-	-	-	-
<b>Total Services</b>	<b>242,607</b>	<b>224,925</b>	<b>231,055</b>	<b>235,114</b>	<b>239,248</b>	<b>241,127</b>
		-7%	3%	2%	2%	1%





# Attachment G – Asset Management Plan

	2012 Budget	2013 Budget	2014 Projected	2015 Projected	2016 Projected	2017 Projected
Personal protective equipment	22,094	22,756	23,439	24,142	24,866	25,000
Light vehicle	30,000	-	30,000	-	-	35,000
Self-Contained Breathing Apparatus	15,000	-	-	-	-	-
Communication equipment	15,251	5,000	5,000	5,000	5,000	5,000
Computer equipment	2,000	6,500	6,500	4,500	6,500	6,500
Thermal imaging camera	-	-	-	-	15,000	-
Rescue tool replacement	-	24,000	-	-	-	-
Hose	-	4,250	4,250	4,250	4,250	4,250
Autopulse	-	-	15,000	-	-	15,000
<b>Total Asset Management Plan</b>	<b>84,345</b>	<b>62,506</b>	<b>84,189</b>	<b>37,892</b>	<b>55,616</b>	<b>90,750</b>
		<b>-26%</b>	<b>35%</b>	<b>-55%</b>	<b>47%</b>	<b>63%</b>





## Attachment H – Fees Schedule

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Activity	2012	Proposed 2013
Carnivals & Fairs	\$104	\$108
Explosives or blasting agents	\$104	\$108
Fireworks Display	\$221	\$229
Temporary Retail Fireworks Stand	\$1,500	\$1,555
Open Burning	\$0	\$0
Temporary membrane structures	\$83	\$86





# Attachment I – Key Performance Indicators

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## Response Times

EFPD strives to meet a response time objective of 6 minutes from Dispatch to Arrival on Scene of 75% of all emergency responses.

	2010	2011	2012*
<b>Percentage of emergency responses that met objective</b>	76.8%	76.5%	71.5%

\*reflects first three quarters of 2012.

## On-duty staffing

The on-duty staffing objective is to have Station 2 staffed with a total of six firefighters 24 hours a day, 7 days a week, 90% of the time. In 2011, this objective was met only 60% of the time. This will become a critical future performance objective as the staffing improvements are implemented, in part with the addition of part-time firefighters. Prior to the addition of 6 part-time firefighters, 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 J – 2013 Budget Resolution

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## R E S O L U T I O N 2012-9

A RESOLUTION SUMMARIZING REVENUES AND EXPENDITURES FOR EACH FUND, ADOPTING A BUDGET FOR THE YEAR 2013, LEVYING GENERAL PROPERTY TAXES FOR THE YEAR 2013 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 2013 FISCAL YEAR BEGINNING ON THE FIRST DAY OF JANUARY 2013, AND ENDING ON THE LAST DAY OF DECEMBER 2013.

WHEREAS, the District Board authorized its administrative staff and consultants to prepare and submit a proposed Budget for fiscal year 2013; and

WHEREAS, a proposed Budget for fiscal year 2013 ("**2013 Budget**") has been submitted to the District Board for its consideration. A copy of the proposed 2013 Budget is attached to this Record of Proceedings; and

WHEREAS, upon due and proper notice, published in accordance with the law, the proposed 2013 Budget was available for inspection by the public at a designated public office; and

WHEREAS, a public hearing was held Monday, October 22, 2012, and interested electors were given the opportunity to comment on or to file or register any objections to the attached proposed 2013 Budget.

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

Section 1. Appropriation of 2013 Budget Revenues. That the estimated revenues for each fund as more specifically identified in the attached 2013 Budget are approved and appropriated.

Section 2. Approval of 2013 Budget Expenditures. That the estimated expenditures for each fund as more specifically identified in the attached 2013 Budget are accepted and approved.



Section 3. Adoption of Budget for 2013. That the attached 2013 Budget as submitted is approved and adopted as the District's budget for fiscal year 2013.

Section 4. Adoption of Mill Levy. That the mill levy necessary to generate the revenues set forth in the 2013 Budget, and as previously approved by the voters within the District's jurisdiction, is hereby adopted.

Section 5. Adoption of the 2013 Fee Schedule. That the attached 2013 fees more specifically identified in the attached 2013 Fee Schedule be accepted and approved.

The foregoing Resolution was seconded by Director \_\_\_\_\_.

ADOPTED AND APPROVED this \_\_\_\_ day of \_\_\_\_\_, 2012.

\_\_\_\_\_  
Mary Achziger, President

ATTEST:

\_\_\_\_\_  
Gregory Bledsoe, Secretary



# Attachment K – Financial Policies

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## **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 1<sup>st</sup> through December 31<sup>st</sup>. 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:

<b>Amount</b>	<b>Approval</b>
\$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.

## **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.