

Minutes East Grand Fire Protection District
Board of Directors Meeting
April 24th, 2019

Board Directors Present: President Frank Dominguez, Vice President Mark Pappas, Treasurer Steve Loo, Secretary Richard Kramer, Director Garth Hein.

Staff Present: Chief Todd Holzwarth, Assistant Chief Dennis Soles, Training Coordinator Steve Waldorf, Office Manager Kristen Rybij.

Public Present: County Commissioner Richard Cimino.

Director Dominguez opened the Board of Directors meeting at 18:11 p.m. There was a quorum of Directors present.

Frank asked if there was any public comment. There was none.

There were no changes or additions to the agenda. There was a quick discussion regarding the pros and cons of municipal fire districts being funded through sales tax.

- ❖ Director Richard Kramer moved to approve the March 27th, 2019 minutes as written. Director Steve Loo seconded. The motion passed unanimously.

Discussion of Financials: Todd reiterated the stagnant interest rate of 2.6% with COLOTrust. Property taxes are coming in as per usual. Frank asked what the \$3K refund was on our financials. It was a rebate from Mountain Parks Electric for the lighting project completed at HQ. Garth asked what we paid GC EMS for. It was for the EMT refresher.

- ❖ Director Steve Loo moved to approve the bills. Director Rick Kramer seconded. The motion passed unanimously.

Chief's Report: Todd noted that we received two proclamations so far for the District's 50th Birthday, one from the Town of Fraser, and one from the Town of Winter Park. The County has agreed to create one for us as well. The Winter Park Times is working on an article for our 50th Birthday and plans to follow up with future articles concerning the Gallagher amendment and its negative effects on our funding. Todd is working with EPS on our next Impact Fee Study, which are to be done every 5 years. Grand Fire just completed their study and increased their fees with a non-unanimous vote from the County. Commissioner Cimino voted against the increase in fees, concerned that the Impact Fees were not standard across the County. Todd then brought the discussion to the projected residential assessment rate (RAR) for 2019. It is expected to be at 7.15%. Groff's report also shows a 21% increase in property assessment for Grand County. Todd believes that most of the assessment increase will be seen our District causing a slight increase in revenues even with the decrease in the RAR. Todd then pointed out the new Oil and Gas Legislation, and its potentially negative impacts upon the non-residential portion of the Gallagher 44/55 split.

Fire Prevention Report: Most new construction inspections took place in the Lakota subdivision this month. Dennis has been working on a large new construction plan review / inspection at Cozen's Pointe in Grand Park as well as the new River Run Ranch development in Granby. Dennis has spent a fair amount of time this month at Winter Park Resort Village and Devil's Thumb Ranch. There is a small surge in development reviews with 1 being in Fraser and 3 being in un-incorporated Grand County. Frank asked if the tax code classification would change for Cooper Creek Square now that it has residential units. Dennis believes they would stay classified as commercial until they petitioned for a different tax code with the County Assessor.

Training Coordinator Report: This month's trainings included FF One JPRS, a scenario in the Sitzmark building for Officers, hose work, and a rescue drill focusing on relocating an incapacitated victim to a safe place. Faced with the difficulty of picking up "dead" weight, the crew was very successful in learning the proper rescue techniques. Several Probies are nearing graduation and look forward to becoming official Firefighters in May. A recruit class starts May 8th. We currently have 37 volunteers, not including the new folks. Wildland season has started with one small grass fire in Kremmling, as well as a small fire in Summit County. The Wildland Refresher is scheduled the first week of May. Steve has been training with the Lexipol system, working to legalize and standardize our staff and volunteer policies. Over the weekend Clear Creek executed live fire training here at East Grand. Garth asked for details about this, his main

concern being that it was overseen by knowledgeable EGFPD volunteers or staff. Steve confirmed that our Firefighters were present and that the live burn was overseen by Donal Koogle, a respected volunteer highly certified in live fire trainings. Clear Creek and EGFPD have a great mutual aid-neighbor relationship so we did not charge them for use of the facilities; instead, we traded the use of our facilities for assistance with HQ building maintenance.

- ❖ The Official Board meeting was recessed at 19:09 pm for a celebration in honor of our 50th Birthday. We were joined by Mike Turner from Channel 18 and Commissioner Cimino. We all enjoyed cake. The Official Board meeting was re-opened at 19:45 pm.

Board Business: The Board agreed on August 3rd as the day for our 50th Anniversary and Open House celebration with the community. Steve locked down a caterer for the event. Discussion then turned to our November Ballot question. Todd reiterated that he would like to move forward with the election, but with the projected 21% increase in assessed valuation he suggested that we ask for a stabilization measure but hold off asking for a mill levy increase. Frank then opened dialogue with Commissioner Cimino concerning the on-going negative impacts to the District's revenue caused by the TABOR / Gallagher intersection, and acutely made worse by Grand County's short-term rentals (STRs) that are under the residential tax code, but clearly operating as a business. Frank requested that the County put this issue at the forefront to address. Commissioner Cimino acknowledged Frank's concern and explained that other Counties and Municipalities are fighting the same fight and have tried to assess STRs as commercial but have failed. He then cited two cases of STRs coded as residential that went to the Colorado Supreme Court, but the Original Use Doctrine prevailed. It states that the tax code applies to the construction phase of a unit, and if a unit is built as residential, then it shall be taxed as residential. This holds true even if the home is never actually lived in and is purely for profit. Cimino noted that the Summit County Commissioners are fighting to tax all STRs as commercial. Frank pointed out that Todd's family lodge is taxed as multi-use, combining residential and commercial, and asked why the State and County are not doing this across the board. The difficulties associated with a multi-use taxing model were discussed. Where do you draw the line? Is the property still commercial if they rent the place out only once a year? What about monthly rentals? How can we keep track? Frank suggested using sales tax reporting to keep track of use. Cimino reiterated that there is a lot of opposition to changing the tax codes of STRs. There will be no more legislative action this year (session ends Friday), but he is hopeful that next year's session will address these issues. Frank pointed out the lack of difference between the Zephyr Mtn. Lodge and the Holiday Inn selling nightly rentals, yet the Lodge is classified residential. Cimino agreed and noted that the contractors in charge of those projects obviously knew how to navigate Colorado law to make a profit. Frank does not feel we are getting support from anyone. Cimino stated that Colorado counties can unite and lobby the legislature in a serious effort to pass legislation, but the opposition is strong and lobby money controls many jobs in legislature. He also noted that if there is new legislation in 2020 surrounding STRs, support would likely come from the Special District's Association (SDA) and Colorado Counties Inc. (CCI), but probably not the Colorado Municipal League (CML). Cimino highlighted that the County has made steps towards change by successfully requiring a large portion of the STRs in un-incorporated Grand County actually register and pay their portion of sales tax. In the past, only a small fraction of the 800-1000 STRs County wide were paying sales tax. Frank believes this number of STRs to be very much understated. Cimino noted that this is the number that are advertising on-line. The County's policy for all un-incorporated registered sales and lodging tax is that it is used for roads and County infrastructure, which in turn, Cimino pointed out, helps us to get where we need to go. He then described the extreme opposition the County faced passing this legislation, stating he received over 800 opposing emails. He believes that this is just a small prophecy for the opposition that will be received if STR owners are to face a 4X increase in their property taxes. Winter Park thrives on tourism and will not support it and many fear legislation like this will decrease the tourism industry. Cimino ended the discussion reiterating that the County really does want to move forward with positive changes regarding these issues, it is just very hard to implement against such strong opposition. Todd moved the discussion back to our November ballot question. Todd confirmed that he did not want to ask for a mill levy increase because the 21% increase in assessed valuation could have the potential to recruit a large portion of our losses from the 24% drop we have experienced. He feels that currently we should only ask the voters to approve a revenue stabilization measure and then re-evaluate our financial position in a few years. Linda Glesne addressed our revenue stagnancy concerns by noting we can add a layer to the question creating a minimum value as to not drop below. This would allow us to still take advantage of possibly increasing assessed valuations in the future. We could also add a Sunset Clause to the questions. Cimino added that this was a good year to propose the ballot question as we will miss the divisive political atmosphere that 2020 will bring. Cimino also noted that he feels that the population in Winter Park is generally more accepting of paying for public service and we have a good chance of passing our question. Garth also noted that this is a good year to run the ballot question as the information is fresh in the community's minds from the large amount of 2018 de-Gallagherizing

ballots. Todd changed the discussion to our current Impact Fee Study. He asked Cimino to explain his NO vote on Grand Fire's Impact Fee increase this month. Cimino is uncomfortable with the inconsistency among Impact Fees across the County, for example, Kremmling charges nothing while Granby charges several hundred dollars for new construction. Mark explained that Kremmling and Winter Park / Fraser are like two different universes and the studies are very much based on geographical area. A County-wide fee would be valid if we had one County-wide fire district, but we have very different Districts with very different needs. The Board continued to explain the multiple factors that go into each study. How big are the responding stations? Are they protecting range land or million-dollar homes in a small sub-division? How many staff and volunteers are needed for daily service? We have over 40 volunteers, Kremmling has just hit double digits. What kind of calls are they running? How many? What resources and structures would a fire impact if it took place in Winter Park versus Kremmling? Insurance and ISO ratings also play a factor. Our District also covers a large area. Todd highlighted that the studies were always conducted by a 3rd party and paid for. The Impact Fees can only be used for new capital and equipment costs. The cost of replacement needs are spread over the number of developable units, making for very different calculations between Districts. Kremmling would have to implement such a large impact fee in order to, for example, spread the cost to replace a \$500K engine over very minimal development. This does not work for their community, so they decided to not implement the fee. More discussion was had and Cimino explained that he would invest time into understanding the Impact Fees between the Districts better.

Garth requested the addition of the 2018 Annual Report and our Strategic Planning update to May's meeting agenda.

- ❖ Director Steve Loo moved to adjourn the Board meeting. Director Rick Kramer seconded. The motion passed unanimously.

The Board meeting was adjourned at 20:52 p.m.

Frank Dominguez

Rick Kramer

Garth Hein

Mark Pappas

Steve Loo