

## **GRAND FIRE PROTECTION DISTRICT NO. 1**

### **2024 Budget Message and Information**

The District's Board of Directors follows the *Local Government Budget Law of Colorado* (C.R.S. 29-1-101, et seq.) in establishing the budgetary data reflected in the 2024 budget and in the financial statements.

- Prior to the 15<sup>th</sup> of October, the Budget Officer submits to the District's Board of Directors a proposed operating budget for the year commencing the following January 1. The operating budget shows the proposed expenditures and a means of financing them.
- Public hearings are conducted to obtain taxpayers' comments.
- Prior to the 10<sup>th</sup> of January, 2024, the budget is legally adopted through passage of a resolution, making appropriation for the budget year.
- Formal budgetary integration with current financial statements is employed as a management control device during the year at the Board of Directors' monthly meetings.
- The budget for the General Fund is adopted on an accrual basis except for the debt service payments which are shown using the cash basis.
- Appropriations lapse at the end of each calendar year.
- The District's Board may authorize supplemental appropriations during the year.

Grand Fire Protection District No.1 provides fire protection, rescue operations and hazardous materials response to a central eastern portion of Grand County and the town of Granby. The District boundaries cover approximately 152 square miles and include residences, both permanent and vacation, business properties, highways and roads, railroads, lakes and rivers, and state and federal lands. The District has approximately 20 volunteer firefighters, ten career staff members, three seasonal employees, three stations and 14 apparatus. The District has mutual and automatic aid agreements with the four other fire districts in Grand County. The District may from time to time deploy wildland engines and/or personnel to regional and national wildland fire or all-hazard incidents which may increase general operating revenues.

The budgetary basis of accounting used by the District for the 2024 budget is the modified accrual basis.

The District voters passed a general obligation bond issue in May of 2004, along with a mill levy operating increase. These bond funds provided for the construction of new fire stations and the purchase of apparatus and firefighting equipment. The 2004 Bonds issued by the District were refunded with the currently outstanding 2012 Bonds.

Following prior operating levy increases in 2004 and 2018, District voters passed ballot issue 6A in November of 2021, authorizing the combined operating and debt service mill levy rates to be 10 mills, subject to adjustments to offset refunds, abatements and changes to the percentage of actual valuation used to determine assessed valuation.

The 2024 General Fund Budget includes a \$115,054,490 increase in the District assessed valuation to \$312,460,670 including \$83,777,770 in actual value on new construction. The District's combined mill levy of 10.570 mills will generate property tax revenues of \$3,302,709, which is an increase of \$1,286,996 compared to revenues received in 2023. The combined levy rate of 10.570

mills includes a bond levy of 1.761 mills, an operating levy of 8.809 mills, and a mill levy adjustment of 0.810 mills to offset revenue that would otherwise have been lost from changes in assessment rates established by the Colorado State Legislature through Senate Bill 21-293, SB22-238, and SB23B-001, as such adjustments were authorized by District voters in 2021.

Additional revenues are generated from wildland fire and all-hazard assignments/mitigation work, specific ownership taxes, and from fire impact fees approved by the Town of Granby and Grand County Commissioners in 2003 and revised in 2009, 2014, and 2019. The old fire station in Granby was sold in 2008, and those revenues are earmarked for construction of a new satellite fire station, which is in the final stages. Capital expenditures for 2024 will include as the purchase of additional apparatus and equipment as well as final construction payment.

That the District recognizes that SB 23B-001 and SB22-238 contemplate that certain local governments will receive “backfill” revenues, of differing amounts under proposed legislation that reduces actual and assessed values. The precise amount of backfill to be received by the District in 2024, if any, is uncertain at this time and is subject to certain contingencies, including the availability of funds from the State of Colorado. The District deems it to be the most prudent course of action to adopt its 2024 budget without the expectation of receiving backfill revenues, but commits to effectuating a refund of such revenues as a temporary tax refund in 2025 to the extent that (a) such revenues are actually received in 2024 and (b) such revenues would otherwise result in a windfall to the District beyond the offset authorized by SB 23B-001 and SB22-238.

## **Revenue Sources**

General Property Taxes – uniformly levied against the assessed valuation of all taxable property within the District. Taxes certified in 2023 are collected in 2024.

Specific Ownership Taxes – District receives a proportionate share of a specific ownership tax imposed by the State on all motor vehicles.

Transfer from Bond Specific Ownership Taxes – Specific ownership taxes collected in bond debt service levies may be used for general operating expenses and is transferred from bond fund to general fund at the end of each fiscal year.

Fire Impact Fees – charged to offset the costs of expected future capital needs because of increased development activity.

Response Reimbursement – charged to offset response to out-of-district calls and hazardous materials motor vehicle accidents.

Fire Assignments/Mitigation/All-Hazard Incident Income – income received by the District from resource orders for apparatus, crews and single resources to wildfire/all-hazard incidents outside of the District, as well as income from fuels reduction mitigation projects completed by the District.

Code Enforcement – fees for plan review and building and short term rental inspections, including sprinkler, alarm and hood/duct systems in commercial spaces.

Donations – income received by the District from community donations.

Grant Income – income received by the District through various grant applications submitted.

Interest Earnings – income from the investment of District funds.

Other Income – income from undetermined sources including restitution, refunds, fees, etc.

Sale of Assets – income from the sale of District assets during the year.

Facility Rental – income from lease payments from leases and meeting room rental fees.

## **Expenditures**

Administration Expenses – includes expenses associated with the general operation of the District including legal, accounting and auditing fees, and fees charged by the County Treasurer for the collection of taxes. Directors' fees are paid to the Board of Directors for general and special meetings as required.

Election fees are expenses incurred for general and special elections in even numbered years. Insurance premiums include coverage for property and casualty, workers' compensation and volunteer life and accident/sickness coverage. Office expenses include supplies, bank service charges and postage. Dues and subscription expenses include society, organization and NFPA membership dues and publication subscriptions. The Professional Development category includes educational and training opportunities for District staff exclusive of firefighter training. Outside services includes consulting for computer, IT and A/V services as well as software, hardware and office equipment maintenance. Other expenses include items such as District business meetings, meals or Board expenses.

Human Resources – includes administrative salaries for District employees. Payroll taxes include social security and Medicare taxes. Payroll benefits include the employer's portion of FPPA, medical/dental/vision insurance coverage, and expenses for healthcare stipends and cell phones. Firefighter health and wellness includes medical evaluations, employee assistance plan, counseling services, peer support, vaccinations, and health club dues. Recruitment/incentives are any expenses incurred when recruiting new members, such as background checks, incentives, meals or advertising.

Communication Expenses – includes expenses for telephone, internet, email, websites and social media; the District's share of funding the county emergency dispatch system, as well as "I Am Responding" software subscription for text paging. Radios/pagers category includes non-capital purchases and maintenance, which includes service and repairs on pagers, handheld radios and truck radios.

Facility Expenses – includes expenses associated with the maintenance, operation and upkeep of the District's real property including supplies, outside services, utilities, facility equipment and improvements under \$1,000.

Equipment Maintenance – includes expenses associated with the maintenance, service, operation, and upkeep of the District's apparatus and portable firefighting equipment.

Operations Expenses – includes gas and oil for vehicle operation and expendable supplies used for firefighting. Includes expenses incurred by the District from the deployment of apparatus, crews and single resources to wildfire/all-hazard incidents outside of the District (offset by income). Firefighter personal protective equipment includes safety items, goggles, bunker gear, helmets, gloves, etc. Firefighter incentives include meals and related volunteer incentive expenses such as barbecues, banquets, gifts, and bonuses. Uniforms include all duty clothing, logo wear, dress uniforms, badges, nametags, patches, embroidery, etc. Expenses related to the resident program include meals, training, health club dues and recruitment.

Training Expenses – includes all training materials, certifications, testing fees, and outside instructors for local training courses. Members are encouraged to go to other outside trainings and the District may provide registrations, lodging, meals and travel.

Wildland Fire Program – includes all supplies, fuel, lodging and meal costs incurred on fire assignments outside of the District through resource orders. Wildland overhead and suppression resources are paid fire assignment salary and overtime as well.

Community Risk Reduction – is broken down into three categories. Fire Prevention/Education includes structure fire and wildfire safety materials and supplies associated with Fire Prevention Week and the department’s adult and youth fire prevention programs. Code Enforcement includes the costs associated with the Fire Inspection Program for businesses and Home Safety Surveys for homeowners/renters. Planning includes Community Wildfire Protection Plans and pre-planning for emergency response.

Collaborative Efforts – funds committed through IGAs or MOUs to support District goals and objectives that are shared by several agencies or organizations. The District commits some funding and often labor in order to maintain a program, facility, or co-own capital improvements in an effort to support those needs at a higher level but lower cost than operating the programs on our own.

Transfer to Pension – amounts transferred from the general fund to the volunteer pension fund as determined by the pension actuarial study conducted every two years. The pension fund is administered by the Colorado Fire and Police Pension Association (FPPA).

Transfer to Red Dirt Station – Funds necessary for operating and capital expenses associated with the joint facility equally owned by Grand Fire Protection District No. 1 and East Grand Fire Protection District No. 4. The amount is determined by the Joint Facility Management Committee consisting of two members of each Districts’ Board of Directors, as well as the Joint Manager(s).

Grant Expenses – expenditures for equipment and or services related to grant applications.

Contingency – set aside for unforeseen expenditures.

Capital Expenses – includes the purchase of portable firefighting equipment, apparatus, and facility contents such as furniture and fixtures where the cost is over \$1,000 and the estimated life of the item is over three (3) years. Improvements may include flooring and the maintenance of driveways, water/sewer lines, etc. A disaster reserve fund was established in the event of a flood, fire, or other disaster event. An apparatus reserve fund was established to provide a future source of funding for the replacement and refurbishing of firefighting apparatus. The District anticipates expenditures from the General Fund and the Fire Impact Fee account for capital items.

Lease Purchase Obligations – In 2022, the District borrowed money through the execution and delivery of Certificates of Participation, 2022 Series, for the purpose of building a new fire station to better serve the north end of the District. Certificates were issued for \$7,025,000 with annual principal and interest payments totaling approximately \$500,000. The Certificates are payable from rent which the District pays under a Lease Purchase Agreement, with rents subject to annual appropriations by the Board, and if renewed annually will mature in December of 2047.

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The District follows the policy of no deficit spending, meaning no budget shall provide for expenditures in excess of available revenues and beginning fund balances.

## **Pension Fund Budget Message 2024**

The Board of Trustees of the Pension Fund previously approved a monthly pension benefit offered to fully retired members in the amount of \$700. The Trustees passed a resolution in August 2014, amending the rules and bylaws of the Volunteer Firefighter Pension Fund. The Board elected to implement “Plan B” referred to in the 2013 Actuarial Study provided by the Fire Police Pension Association (FPPA), which involved discontinuing the 10-20 year prorated retirement pension for any firefighter who does not have ten (10) years of service.

The Trustees voted to amend the rules and bylaws of the Volunteer Firefighter Pension Fund again in September of 2016. The Board elected to implement “Plan A” referred to in the 2015 Actuarial Study provided by the Fire Police Pension Association (FPPA), which involves eliminating provisions for payment of short- and long-term disability benefits for members injured in the line of duty as a volunteer firefighter and benefits for the surviving spouse or dependent child or parent of a firefighter who dies from injuries received in the line of duty. Such benefits are available to firefighters or their surviving spouse or dependents under insurance policies maintained by the District.

The trustees did not require any further pension plan options for the 2017 actuarial study, which showed that the fund was sound at the current contribution level. An actuarial study was performed in 2019, 2021, and 2023 with options for 10-year vesting. The fund was sound at the current contribution level and the trustees did not make any changes to the plan. The District will continue to transfer funds from the General Fund to the FPPA-managed Pension Fund as needed per the Pension Fund actuarial study that is completed every two years.

### **Revenue Sources**

District Contributions – amount transferred from the General Fund to the Pension Fund.

State Funds – the State of Colorado contributes a minimum of 90% of the District’s contribution or \$31,557, whichever is less.

Investment Earnings – earnings realized from assets managed by the Colorado Fire and Police Pension Association (FPPA).

### **Expenditures**

Pension Payments – monthly pension payments to qualified retired members and/or their beneficiaries.

Fees and Expenses – amounts for fees and expenses associated with the management of the fund.

Contingency – set aside for unforeseen expenditures.

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The District follows the policy of no deficit spending regarding the Pension Fund. The Pension Fund has no lease purchase agreements.

**Bond Debt Service Fund Budget Message  
2024**

In May of 2004, the electors of the District passed a General Obligation Bond Question, Bond Ballot Issue 5B, allowing for the issuance of \$7,635,000 in debt including an annual tax increase to finance the District's capital improvement project. In August of 2012, the Board voted to take advantage of the low interest rate environment and refund its Series 2004 General Obligation Bonds saving the taxpayers \$485,695 over the remaining life of the bonds. On December 31, 2023, the District will have a general obligation bonded debt outstanding of \$859,625.

**Revenue Sources**

General Property Taxes – uniformly levied against the assessed valuation of all taxable property within the District. Taxes certified in 2023 are collected in 2024. The mill levy for the Bond Debt Service Fund can float as necessary to raise the appropriate funds to meet debt service requirements.

Specific Ownership Taxes – District receives a proportionate share of a specific ownership tax imposed by the State on all motor vehicles.

**Expenditures**

Principal and Interest Payments – to meet debt service requirements outlined in the Official Statement dated August 28, 2012. Additional expenditures include agent fees paid to UMB Bank and wire transfer fees.

County Treasurer Fees – fees charged by the County Treasurer for the collection of taxes.

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Respectfully submitted,



James (Brad) White  
Fire Chief/District Administrator