



CITY COUNCIL WORK SESSION

448 E. 1st Street, Room 190 Salida, Colorado 81201

September 16, 2024 - 6:00 PM

AGENDA

Please register for the City Council Work Session

<https://attendee.gotowebinar.com/register/8054749917914710285>

After registering, you will receive a confirmation email containing information about joining the webinar.

To watch live meetings:

<http://www.youtube.com/@cityofsalidacolorado>

DISCUSSION ITEMS

- [1.](#) South Ark Fire Protection District IGA Discussion
- [2.](#) Interstate Parking Discussion
- [3.](#) Proposed 2025 Budget - Continued Discussion from September 3rd



CITY COUNCIL WORK SESSION MEMO

DEPARTMENT	PRESENTED BY	DATE
Fire	Aaron Jonke - Fire Chief	September 16, 2024

AGENDA ITEM

Intergovernmental agreement between the City of Salida and the South Arkansas Fire Protection District

BACKGROUND

The City of Salida and the South Arkansas Fire Protection District (SAFPD) have a long-standing partnership in providing fire safety services to the community. This updated Intergovernmental Agreement (IGA), last amended in 2014, aims to modernize the operations between the two organizations.

The primary goal of the new IGA is to address current operational challenges and bring the agreement to modern standards. Notably, SAFPD will provide critical funding at a time when city revenues are limited, contributing \$250,000 annually. In addition, they will invest \$150,000 toward the construction of a live burn facility, support structural apparatus acquisition, and provide \$15,000 for firefighter fitness equipment.

Key issues addressed in this IGA include:

- Clear definition of roles and financial responsibilities*
- Workforce housing provisions*
- Sustainable funding for structural apparatus through an Apparatus Reserve Fund*
- Cost-sharing for independent fire department studies*
- Maintenance of staffing levels*
- Consolidation of fire apparatus at the new fire station*
- Addressing wage discrepancies to retain and attract firefighters*
- Establishing career advancement opportunities for firefighters*
- Compensation for Medical and Swiftwater trainers*
- Creation of the Engineer rank for certified driver/operators*
- Limited funding for a Post Employment Health Plan*
- Discuss the potential of consolidation into a single fire protection district for efficiency*

REQUESTED DIRECTION FROM COUNCIL

We are requesting the City Council's support for the updated Intergovernmental Agreement between the City of Salida and the South Arkansas Fire Protection District (SAFPD). This agreement addresses current operational challenges, ensures proper funding, and modernizes fire safety operations. Your approval is essential to ensure the continued safety of our community and the stability of our fire department. Thank you for your consideration.

Intergovernmental Agreement Between the South Arkansas Fire Protection District and the City of Salida

THE PARTIES to this Intergovernmental Agreement ("IGA") are the CITY OF SALIDA, a legal subdivision of the State of Colorado (hereinafter referred to as the "City"), and the SOUTH ARKANSAS FIRE PROTECTION DISTRICT, a duly organized special district and governmental entity within the State of Colorado (hereinafter referred to as the "District") (collectively referred to as "the Parties"). The IGA shall be effective January 1, 2025.

WHEREAS, Section 29-1-203, C.R.S., authorizes governments to cooperate and contract with one another to provide any function, service, or facility lawfully authorized to each, and to establish a separate legal entity to do so; and

WHEREAS, Article XIV, Section 18(2)(a) of the Constitution of the State of Colorado and Part 2, Article 1, Title 29, C.R.S., encourages and authorizes intergovernmental agreements (hereinafter referred to as "IGAs"); and

WHEREAS, the Parties last entered into an IGA for the provision of Fire Protection Services in the South Arkansas Fire Protection District effective January 1, 2015; and

WHEREAS, the Parties now wish to enter into a revised IGA for the provision of Fire Protection Services to reflect changes related to the construction of the City's new fire station at 611 Oak Street and other necessary updates;

NOW, THEREFORE, in consideration of the mutual promises contained herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

Section 1: Parties Agree to:

1. **Safe Staffing Cooperation:** The City and the District will collaborate to determine the necessary staffing levels to perform functions and services for both parties. At a minimum, this shall include 9 firefighters, 3 fire Captains or Lieutenants, 1 Assistant Chief, 1 Fire Chief, and additional staff as needed for administration, human resources, payroll, firefighter training, and the maintenance of equipment, vehicles, and property.
2. **Fire Chief:** The individual serving as the Fire Chief of the City Fire Department shall also serve as the Chief of the South Arkansas Fire Protection District ("Fire Chief"). The South Arkansas Fire Protection District shall have input into the hiring and

retention of the Fire Chief. Additionally, the Board of the South Arkansas Fire Protection District shall have the opportunity to meet and confer with the City Administrator as necessary to discuss and address any issues or concerns related to fire protection services and the performance of the Fire Chief. These meetings may be convened at the request of the Board or the City Administrator.

3. **Equipment and Vehicles:** Each party may use firefighting equipment and vehicles owned by the other party to respond to emergency calls within the City or the District.
4. **Maintenance Responsibilities:** Each party is responsible for funding maintenance, parts, and repairs on their fire equipment and apparatus. The Fire Chief or their designee shall coordinate repairs, which shall be done promptly to ensure adequate emergency response. Major repairs or the need for equipment replacements shall be reported to the District Board of Directors by the Fire Chief.
5. **Insurance:** Each party shall maintain liability and property insurance with adequate coverage on their equipment and vehicles. Proof of insurance shall be shared among the parties.
6. **Out-of-District Deployment:** The Fire Chief may authorize the deployment of firefighting equipment and apparatus outside the district, provided there is adequate equipment for on duty personnel to utilize for the protection of the City and the District. The Fire Chief shall report these deployments to the Board of Directors.
7. **Workforce Housing:** The designated areas of the City owned property at 124 E Street shall be utilized to provide workforce housing for firefighters. The firehouse, living quarters, and operational spaces within this designated area shall primarily serve firefighter housing and related needs. Other portions of the property may be used for alternative purposes at the City's discretion. The City reserves the right to terminate the workforce housing program if it determines that the program no longer meets its objectives. Nothing in this agreement restricts the City Council's authority to reallocate the designated area or make alternative budgetary, fiscal, or operational decisions based on the findings of the facilities use study or other relevant factors.
8. **Apparatus Reserve Fund:** Each party shall maintain its own Apparatus Reserve Fund, which shall be used exclusively for the purchase and outfitting of structural firefighting apparatus. Both parties shall contribute annually to their respective

funds and report their contributions to each other on or before January 31st of each year.

9. **Joint Planning Study and Implementation Fees:** Both parties agree to collaborate in funding and implementing planning study fees aimed at improving fire service delivery to the community. This joint effort will be undertaken when funding is available, ensuring that both parties contribute resources and expertise to enhance the effectiveness and efficiency of fire services.
10. **Consolidation:** Both parties will cooperatively investigate the possibility of consolidating into a single district or authority to increase fire service efficiency and effectiveness for the community.

Section 2: The City Agrees to:

1. **Staffing:** The City will recruit, employ, manage, train, and maintain sufficient staffing as determined by Section 1, Paragraph 1. Staffing levels shall not be reduced below the current levels during the term of this agreement.
2. **Fire Services:** The City shall provide the District with the following fire services:
 - a. Emergency response to EMS calls, fire calls, vehicle accident calls, hazardous materials calls, and technical rescue calls.
 - b. Review of all new multifamily and commercial construction building plans within the District for compliance with applicable building and fire codes.
 - c. Fire inspections for commercial and multi family buildings.
3. **Shared Firehouse Space:** The City shall provide the District with shared space at the Firehouse located at 611 Oak St, including space necessary for the Fire Chief and staff to administer the District, training, meeting spaces, and the boardroom.
4. **Housing Apparatus:** The City shall house District apparatus that can be properly staffed by on-duty personnel for the protection of the City and the District.
5. **Apparatus Reserve Fund Contribution:** The City shall make annual contributions to the Apparatus Reserve Fund, to be used exclusively for the purchase and outfitting of structural firefighting apparatus. These contributions are subject to the availability of funds within the City's budget and contingent upon City Council approval.
6. **Firefighter Compensation:** The City acknowledges the critical role and dedication of its firefighters and is committed to offering competitive compensation to attract

and retain highly skilled personnel. In furtherance of this goal, and to the extent feasible within budgetary constraints, the City shall provide the following benefits and incentives:

a. **Salary Step Structure:** Implementing a structured salary progression based on predetermined percentage increases, ensuring clarity and fairness in pay advancements.

b. **Midpoint Pay:** Striving to ensure firefighter salaries meet the midpoint pay levels for similar positions within Colorado, ensuring competitive compensation.

c. **Medical Trainer Position:** Establishing a dedicated position for a Medical Trainer to enhance the medical capabilities of the fire department.

d. **Swift Water Trainer Position:** Creating a specialized position for a Swift Water Trainer to improve the department's readiness and response to water-related emergencies.

e. **Engineer:** Shall implement the rank of Engineer to provide qualified and certified emergency apparatus driver operators.

e. **Post-Employment Health Plan:** A Post-Employment Health Plan (PEHP) shall be established to provide tax-free reimbursement for qualified medical expenses incurred by firefighters after retirement. This plan is intended to offer financial support for healthcare costs, including premiums, co-pays, and other eligible medical expenses, ensuring long-term health security for firefighters post-employment, in accordance with the plan's guidelines and IRS regulations.

Section 3: The District Acknowledges and Agrees to:

1. **Annual Payment:** The District will pay the City an annual sum of \$250,000, in equal quarterly installments in March, June, September, and December for all services provided pursuant to this IGA. This amount shall only be renegotiated every 3 years and is not subject to amendment.
2. **Pass-Through Payments:** The District shall pay the City for out-of-district fire protection services (FPS) on a pass-through basis, equal to the amount the District

is paid by third parties for such services performed by assigned City staff. Rates shall be set by The South Arkansas Fire Protection District.

3. **Utilities Payment:** The District shall be responsible for payment of utilities, including electricity, gas, water, and sewer, at 124 E Street, provided the property is used by the City for firefighter workforce housing. If the property ceases to be utilized for this purpose, the District shall no longer be liable for utility payments, and the responsibility shall revert to the City or the appropriate party.
4. **Apparatus Reserve Fund Contribution:** The District shall make an annual contribution to its Apparatus Reserve Fund in an amount equal to 20% of the City's annual contribution, not to exceed \$30,000 per year. The District's contribution is contingent upon the City making its contribution for that year and is subject to the availability of funds within the District's budget.
5. **Fitness Equipment Contribution:** A one-time contribution of \$10,000 shall be made in January 2025 for fitness equipment at the Firehouse at 611 Oak Street. An additional \$5,000 shall be provided for use at the Fire Chief's discretion for other fitness-related needs.
6. **Training Facility Contribution:** The District shall contribute \$150,000 toward the construction of a live burn and training facility for firefighters. This contribution is contingent upon the commencement of construction of the facility, including securing the necessary additional funding. The District's obligation is limited to this one-time contribution of \$150,000.

Section 5: Term, Termination, and Amendment

1. **Term:** This IGA shall be effective as of January 1, 2025, and shall automatically renew on an annual basis as of January 1 of each calendar year, unless terminated or amended by either Party upon ninety (90) days prior written notice to the other Party. This Agreement shall continue in full force and effect until terminated or amended in accordance with the provisions of this Section. This Agreement may be modified or amended only by action of the City Council of the City of Salida and of the Board of Directors of the South Arkansas Fire Protection District.
2. **Amendment:** This agreement may be modified or amended only by a written agreement signed by both parties, and such modifications or amendments shall be subject to approval by the City Council of Salida and the Board of Directors of the South Arkansas Fire Protection District.

Section 6: Liability

1. **Indemnification:** To the extent authorized and permissible by law, the Parties agrees to indemnify, defend, and hold harmless the other Party, its officers, employees, agents, and contractors from and against any and all liability, claims, demands, and expenses, including court costs and attorney's fees, arising out of or related to the fire protection services performed by the City under this IGA, provided that such injury, loss, or damage is caused by the acts, omissions, or other faults of the Party or its officers, employees, agents, or contractors.
2. **Governmental Immunity:** Nothing in this agreement shall be construed as a waiver of any rights, protections, limitations, or privileges under the Colorado Governmental Immunity Act or any other applicable law. Additionally, no portion of this agreement shall create a duty of care or liability with respect to any non-party that did not previously exist.

3. Section 7: Funding Appropriated

Notwithstanding any other term or condition of this Agreement, it is expressly understood and agreed that the obligation of any party for all or any part of the payment obligations herein, whether direct or contingent, shall only extend to payment of monies duly and lawfully appropriated for the purpose of this Agreement by each party's respective governing body. Each party hereby represents to the other that all monies necessary to pay that party's obligations set out herein as of the date of execution of this contract have been legally appropriated for the purpose of this Agreement.

The parties have executed this Intergovernmental Agreement following approval by the City Council of Salida and by the Board of Directors of the South Arkansas Fire Protection District.

Agreed to by the Parties:

CITY OF SALIDA, COLORADO

By: _____
Dan Shore, Mayor

Attest:

City Clerk/Deputy City Clerk

SOUTH ARKANSAS FIRE PROTECTION
DISTRICT

By: _____
Harold Starbuck, President



CITY COUNCIL WORK SESSION MEMO

DEPARTMENT	PRESENTED BY	DATE
Finance	Aimee Tihonovich - Finance Director	September 16, 2024

AGENDA ITEM

Proposed 2025 Budget – Continued Discussion from September 3

BACKGROUND

The proposed budget which sets the spending plan for the 2025 fiscal year was presented to Council on September 3.

Council asked for further discussion to be scheduled at today's work session.

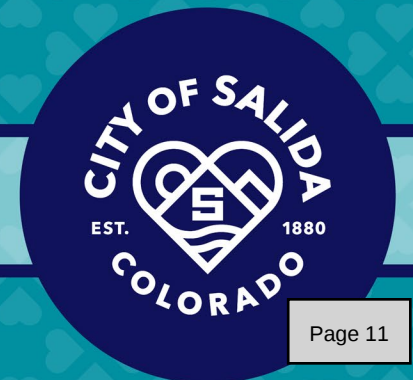
REQUESTED DIRECTION FROM COUNCIL

Staff requests direction from City Council on the proposed budget which is scheduled for adoption on October 15 (after holding a hearing on October 1).

2025 Budget Discussion

(Continued from 9/3/2024 work session)

September 16, 2024 Work Session





Questions submitted

- Council members reviewed line item details and submitted questions to staff, responses were distributed to all council members.
- No discussion was held related to this, of course.
- The majority of questions asked for confirmation of where financial information is recorded in the chart of accounts.
- A few questions addressed information not in the presentation and will be disclosed publicly here..



Council questions

- The cost of “uniforms” (clothing items) has increased significantly. In an effort to better “brand” the city and to encourage teamwork and a sense of pride, work shirts and jackets are distributed to employees.
- 2024 estimated registration revenue was underestimated in the line-item view and the 2025 budget was overstated (changed from \$60K to \$40K)
- Contract services at the aquatic center increased significantly due to the need to hire an outside janitorial firm.
- The City owns the Toubert Building with Chaffee County and \$60K is budgeted to handle potential building maintenance needs (matched by the County).



Information Update

- As the budget progresses, changes will continue to be made.
- Estimates were used in the slide for the 2025 minimum reserve level based on 2023 audited numbers, but it is more conservative to calculate the numbers based on the estimated 2024 results.
- I previously reported that reserves are projected to be \$725,000 lower than minimum reserves per policy
- A better estimated amount is \$1,176,000.
- The next slide shows the corrections to the previously presented slide.



Corrections to previously presented slide

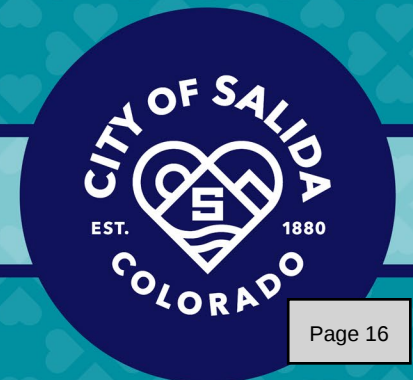
- General & Capital Funds closely related
- No recommended capital projects in 2025
- As predicted, spending below fund balance policy level ✓
- Spending is better than FMP predicted ✓

Projected Beginning Fund Balance	\$ 3,953,000	
2025 Proposed Revenues	\$ 13,793,000	
2025 Proposed Expenses	\$ (15,671,000)	
Budgeted Ending Fund Balance	\$ 2,075,000	✓
FMP prediction for 2025	\$ 1,871,000	✓
Fund Balance policy level	\$ 2,800,000	\$3,251,000
Below policy minimum level	\$ 725,000	\$1,176,000

✓ Accurate!

Discussion Points

Financial Management Plan, Increasing sustainability, Timing...





Financial Management Plan Progress

- A fiscally conservative plan is being prepared with financial advisors from UMB Bank
- Early results are showing a longer recovery period than anticipated in existing plan
- New revenue or reduced spending may be necessary if growth is not sufficient
- Council anticipated to review plan in mid - October



Commitment to Increase Sustainability

- Staff is fully aware that spending constraints and pressure to increase revenue in the General Fund are eminent
- Financial Management Plan will add clarity
- Staffing study is underway
- A financial sustainability strategy plan is underway
- Salida's tax base in comparison to other municipalities is being researched



Other Considerations

- Treasurer and Finance Committee Recommendations
- Budget hearing is scheduled for October 1 and is slated to be adopted October 15
- Questions and further direction to staff?

