

**MINUTES OF THE NORTHERN LAKES FIRE PROTECTION DISTRICT
BOARD OF FIRE COMMISSIONERS
REGULAR MEETING**

February 22nd, 2023 at 10:00 a.m.
Fire Station 1, 125 W. Hayden Ave., Hayden, ID

I. Call To Order

COMMISSIONER HALPIN called meeting to order at 10:00 a.m.

COMMISSIONERS PRESENT: Commissioners Amende, Duncan, Halpin, Pearce and Washko

OTHERS PRESENT: Fire Chief Riley, Division Chief Mather, Division Chief Dill, Secretary Knapp, Danielle Quade, Fritz Wiedenhoff, Kevin Croffoot, Ryan Alltus, and Chris Larson

II. Pledge of Allegiance

COMMISSIONER HALPIN led the Pledge.

III. Amend Agenda

There were no amendments to the agenda.

IV. Presentation

Danielle Quade with Hawley-Troxell introduced herself and reported that she was retained by the District as bond counsel to help with obtaining financing for the new fire station. She stated that the bond counsel will give an unqualified opinion on the District's lease structure being legally valid and tax exempt. The board was presented with drafts of an Annual Appropriation Lease and Ground Lease between the District and First Interstate Bank for review.

Danielle Quade reported on the following:

- A. The lease purchasing of construction of a new station is not a traditional bond requiring a 2/3rd majority approval by voters;
- B. The Idaho Supreme Court determined in 2015 that a lease purchase considered as debt for only one year with an annual appropriation does not violate the state constitution;
- C. The proposed Ground Lease will mean the District subleases the land/property from the bank on an annual basis, with the Ground Lease exceeding the term of the Appropriations Lease. **COMMISSIONER WASHKO** clarified with Danielle Quade that the District will remain the property owner of record, but with a leasehold, and that once the debt is paid in full, the leasehold will term;
- D. The annual obligation is paid as a Ground Lease with the rent payment applied directly to the District's debt.

There was further discussion on the appropriation lease, the ground lease, and how the agreements are structured to borrow funds. Danielle Quade noted that the bank will fund the project while the District makes payments on the ground lease; once the debt is paid off, the ground lease hold is removed. The bond counsel makes an unqualified opinion to the board that the lease is enforceable. It was noted that the debt would have to be appropriated each fiscal year by board action.

A preliminary proposed term sheet from First Interstate Bank was presented for review. There was discussion on the proposed terms on a loan amount of \$3.2 million for a 10-year full amortized or 15-year amortized terms, with a 1% loan fee and the District paying 3rd party fees and closing costs. The proposed terms include a 10-year 5.45% fixed rate, as well as an option for a 15 year term with a 5-year fixed rate of 4.82%, that would then be adjustable for the

remaining 10 years based on federal home loan rates plus 2%. There was further discussion on the proposed interest rates not being a commitment and subject to formal review.

COMMISSIONER WASHKO clarified with Danielle Quade that there would be no pre-pay penalty. There was discussion on the District paying interest only during the first 12 months of the lease, with no obligation to pay the debt extending past each year without board action.

COMMISSIONER DUNCAN clarified with Danielle Quade that principal payments are normally not made during construction.

There was further discussion on fire development impact fees funding the District's Capital Improvement Plan (CIP).

Danielle Quade noted that a term sheet with the actual fixed rate that would be locked in for 30 days will eventually be presented to the board, perhaps by next meeting, along with the final appropriation lease and ground lease. There was further discussion on interest rates and government agencies being eligible for tax exempt rates.

The board thanked Danielle Quade for coming in to make this presentation. She noted that she will work on getting the final documents to the board for their review.

V. Consent Calendar

The consent calendar was presented for review as follows:

- A. Approval of February 22, 2023 Meeting Agenda as presented;
- B. Approval of February 9th, 2023 Regular Meeting Minutes;
- C. Approval of Unpaid and Paid Bills Lists;
- D. Review of Monthly Financial Report for January

COMMISSIONER PEARCE made a motion, seconded by **COMMISSIONER AMENDE** to approve the February 22, 2023 Consent Calendar as presented.

COMMISSIONER HALPIN called for discussion. There was no discussion.

COMMISSIONER HALPIN called for the vote and all were in favor. Motion carried

VI. New Business

A. 2023 Fire Protection Agreement

Renewal of a 2023 fire protection agreement for property located at 13307 W Biggs Rd., in Rathdrum, was presented for review. FIRE CHIEF RILEY reported that this is the only such agreement the District will be renewing, noting that it has been renewed each year since prior to consolidation. He further reported that the property is not eligible for annexation as it is not contiguous with the District boundaries and does not exceed 40 acres in size.

COMMISSIONER PEARCE made a motion, seconded by **COMMISSIONER AMENDE**, to renew the Fire Protection Agreement for 2023 with Stuart Wagner for property located at 13307 W Biggs Rd., in Rathdrum, as presented.

COMMISSIONER HALPIN called for discussion. There was no discussion.

COMMISSIONER HALPIN called for the vote and all were in favor. Motion carried

VII. Reports

A. Chiefs Report – Was presented for review. FIRE CHIEF RILEY reported on the following:

- 1. Hiring Status: Academy class is scheduled to begin on 3/13 with thirteen new hires. Acknowledged all the staff working on the academy as well as staff working hard to procure PPE, uniforms and equipment. There was discussion on the ability to lease PPE short term until orders come in.

COMMISSIONER HALPIN clarified with **CHIEF RILEY** that the District's two (2) new custom engines are still at the Rosenbauer plant in Minnesota. **DIV CHIEF MATHER** reported that the apparatus committee will be traveling to Minnesota the week of 3/20 for the final inspection, then they will be driven out to General Fire in Spokane to have some equipment installed. He noted that it will be less costly and faster to have the last of the equipment installed by General Fire. **COMMISSIONER PEARCE** clarified with **DIV CHIEF MATHER** that he anticipates having both engines in service by the end of April when the Academy is complete.

2. Annual Rathdrum Chamber Luncheon: Attended the annual "State of the Community" luncheon hosted by the Rathdrum Chamber of Commerce on 2/16 with the Admin Chiefs and Deputy Fire Marshal Larson. **FIRE CHIEF RILEY** reported that he was invited to present a short "State of the Fire District" address to over 100 people in attendance which included information on a 2nd staffed engine in Rathdrum for most of the year until the 3rd station is finished, and how this will affect response times.

3. Command Staff Reorganization Discussion: A proposed personnel chart was presented for review. **FIRE CHIEF RILEY** reported that with the retirement of **DIV CHIEF MATHER** in June, the District is proposing to combine his position (Training Division) with the EMS Division, and also create a new Assistant Fire Chief position. This will result in the same number of Admin Chief positions, but will involve an increase to budgeted wages. **FIRE CHIEF RILEY** stated that he feels the way the District is operating could work better and that adding the Assistant Fire Chief position will fix that. There was discussion on advertising for both positions soon, including offering promotional opportunities first; if no candidates for promotion are qualified, would then advertise outside.

COMMISSIONER PEARCE clarified with **FIRE CHIEF RILEY** that the timeframe to have both positions filled (Training/EMS Division Chief and Assistant Fire Chief) would be no later than 6/1, or at least a week or two before **DIV CHIEF MATHER** retires.

4. Storage Needs: The District is in need of more storage space while waiting for new St 3 to be finished, including being able to order new equipment and furniture for the station that can then be stored. **FIRE CHIEF RILEY** reported that **DIV CHIEF MATHER** and staff have cleaned out existing St 3 to ready it for demolition. The District has looked into renting a POD unit temporarily and found it to be the most economical option. A copy of the quote was presented for review.

FIRE CHIEF RILEY reported that the POD container could be placed in the Annex driveway (in front of the garage) with furniture, appliances, equipment for the new station delivered to St 1 and placed inside. **COMMISSIONER WASHKO** clarified with **FIRE CHIEF RILEY** that the POD container will be secure with a Knox Box lock. **DIV CHIEF MATHER** further noted that the POD is similar in construction to a sea container and is not soft-sided.

COMMISSIONER DUNCAN clarified with **DIV CHIEF MATHER** that the District anticipates renting the POD for several months.

5. III-A Annual Board Meeting: **FIRE CHIEF RILEY** reported he will be out of the office all day tomorrow (2/23) for the annual III-A Board Meeting as well as the KCEMSS Joint Powers Board Meeting.

B. Commissioner Reports

There were no commissioner reports.

VIII. Presentation

A. Idaho Independent Intergovernmental Authority (III-A) Trust Annual Report

Amy Manning, the III-A Executive Director, presented a copy of the 2021/2022 Plan Year Annual Report to the board and thanked the board for the opportunity to go over the report with them. She reported on the following:

1. During the plan year, membership increased to 5,285 with an 8% increase in number of agencies.
2. The Trust has \$639,000 in program savings and a net position of \$5.5 million as of 9/30/2022.
3. On Page 4-5 of the report is a list of all III-Agencies (90) and the names of the Board of Trustees. Amy Manning stated that she appreciates the District allowing FIRE CHIEF RILEY to serve on the Board of Trustees as he has been a tremendous asset.
4. Since the start of this Plan Year (2022-2023), the Trust has added another five agencies for a current total of 95.
5. On Page 6 of the report is a listing of current III-A staff including six employees who worked almost 12,000 hours during the plan year and traveled 29,000 miles. Administration/Operating expenses were down more than 10% over the last 2 years with staff salaries at 1.7% of budget.
6. The III-A benefit line is staffed 24/7 with 1,429 calls during the plan year not including direct calls to a staff member.
7. On Page 8 is a snapshot of growth over the last 3 years. During the plan year, 38 government or non-profit public agencies applied with 26 going through the rating process, 4 agencies being declined, and 7 agencies joined. No member agencies dropped benefits during the year.
8. On Page 10 is information on program savings for Maternity, Rx Mail Orders, Infusion Benefits, and Telehealth:
 - a. Participation in the maternity program saved approximately \$40,000.
 - b. Participation in the medication infusion program resulted in approximately \$483,000 in savings.
 - c. The savings with 202 members utilizing mail order prescriptions is passed directly back to the III-A members.
 - d. The Telehealth program staffed by two providers (Velma Seabolt and Dustin Reno) saved the III-A an estimated \$115,000 in claims if members had used an urgent care instead. It was noted that the Telehealth is staffed 24/7 and is a great no-cost option especially for rural members who may have to travel long distances to see providers in-person.
9. On Page 11 is information on the Wellness Wednesdays webinars each month. Members are encouraged to register for the webinar each month even if not able to participate, as a link to a recording of the webinar will be emailed out to all who register. Also, there is information on Page 11 about the Wondr Health Weight Loss program with 1,624 sessions and 709 lbs. lost by participants during the plan year.
10. The Wellness Clinics last fall had a 96% agency participation with 51% of all members screened. Amy Manning reported that the III-A is working on higher

participation for this year, including encouraging spouses who are also eligible for the screenings. She also reported that screenings caught a Stage 1 prostate cancer and colon cancer, as well as three abnormal kidney function tests; which demonstrates how important it is to catch issues early.

11. On Pages 14-15 is information on the III-A EAP including:
 - a. More than 200 providers now in-network with two member agencies purchasing benefit for their volunteers.
 - b. Dr. Odom and his team provided 18 on-site trainings, including 3 Critical Incident Stress Debriefings (CISD), to agencies during the year.
 - c. The First Responder Helpline is available 24/7 with 158 calls made during the year (an increase of 61% over the prior year) and included 25 crisis calls. There were 16 in-patient referrals including 9 dependents aged 8 years to 21 years old; eight of these were mental health issues with one substance abuse issue.
12. On Page 16 is information on the finances of the III-A, including:
 - a. The Incurred But Not Paid (IBNP) reserves change each year with the amount determined by the Idaho Dept. of Insurance. The III-A had \$1.7 million in IBNP reserves at end of plan year.
 - b. Certificates of Deposit (CDs) earned \$140,000 in interest and the Pharmacy Rebates totaled \$880,000 (a 4% increase over prior plan year).
 - c. The III-A is a self-funded benefit, and not funded by Blue Cross of Idaho (BCI). The Trust rents the BCI network for medical, dental, and vision for an administrative fee that increased 2% last plan year.
 - d. The catastrophic stop loss fee saw a 16% reduction
13. As a self-funded insurance benefit, the III-A has a “bad” year every 3-5 years seeing an increase in high claims; so that during “good” years with less high claims, the goal is to invest and control costs. The III-A recommends that their member agencies budget a 10% renewal every year.

The goal is to beat the inflation rate, or trend, which nationwide has been 10%-12%. In Idaho, the trend has been 7% over the last five years with the III-A trending at 5.6%.

Amy Manning reported that there were high claimants due to COVID treatment costs averaging more than \$100,000. The III-A typically sees 14 high claimants per year, but there were 25 last plan year, totaling \$6.4 million dollar in claims. She also noted that not all claims from the last plan year are complete due to the claim log and they did see claims come in through the end of December; the number of high claims did not go up, but the final cost for the plan year did go up after the report was printed (more than \$375,000).

COMMISSIONER HALPIN clarified with Amy Manning that high claimants do often carryover from year to year.

14. On Page 19 is information on what is anticipated for the current plan year including:
 - a. A 3% reduction in costs for Administration/Operations
 - b. Utilizing a grant writer to find and apply for grant funds for III-A Programs
 - c. Catastrophic stop loss insurance made changes and saw a 13.4% reduction while national average expected to be a 17% increase
 - d. Encourage more mail order for maintenance prescriptions for higher savings

- e. Looking at options for an on-site mammogram bus to provide 100% no-cost screenings particularly in rural areas.
- f. Have started a pilot program in eastern and southern Idaho to have dermatologist on-site visits for skin checks. There were two claims during the plan year for both Stage 3 and Stage 4 melanomas. So far, have offered on-site dermatologist visits to approximately 20 agencies which have caught one Stage 1 melanoma and seven other skin cancers.
- g. Had high claims for COVID resulting in paying out \$2.2 million, but were successfully able to convince the state to budget ARPA funds in the amount of \$2 million for the III-A, and recently the JFAC committee approved \$2.9 million of ARPA funds which will replenish the trust's surplus.

The board thanked Amy Manning for her report and for all her work on behalf of the agencies and their members.

IX. Public Input

There was no public input.

X. Adjournment

There being no further business to be brought before the board, the regular meeting was adjourned upon the motion of **COMMISSIONER PEARCE** and as seconded by **COMMISSIONER WASHKO** at 10:55 a.m.

COMMISSIONER HALPIN called for discussion. There was no discussion.

COMMISSIONER HALPIN called for the vote and all were in favor. Motion carried



DAVID P. HALPIN, Chairman



DENNIS L. AMENDE, Commissioner



DOUGLAS D. DUNCAN, Commissioner



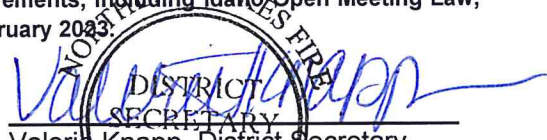
MICHAEL R. PEARCE, Commissioner



JAMES C. WASHKO, Commissioner

I certify that the foregoing is a true and correct copy of the minutes of a duly called meeting of the governing body of the Northern Lakes Fire Protection District held in accordance with all applicable legal requirements, including Idaho Open Meeting Law, on the 22nd day of February 2023.

ATTEST BY:



 Valerie Knapp, District Secretary

