

**POLSON RURAL FIRE DISTRICT BOARD MEETING
MINUTES JANUARY 12, 2011**

Board trustee members present: Fred Nelson, R. Jack Clapp, Beth Hoel, Steve Stanley.

Board trustee member absent: Dean Sams excused.

Staff: Fire Chief John Fairchild, Board Clerk Bonnie M. Manicke

Guests: Lake County Commissioners Paddy Trusler and Bill Barron; Lake County Treasurer Patti Kugler; Polson City Commissioner Mike Lies; Trustee Chief Cliff Fire Service Area Stan Bain; Residents - Francis Davidson, Tom Eddy, Leanna Fillman, Alan Fillman, Jerry Peterson, Lee Manicke, Volunteer Fire Personnel - Jane Clapp, John Stevens, Drew Hoel.

Meeting called to order 7:00 p.m. Fairgrounds Rural Fire Station by Chairman Nelson.

Technical difficulty with recording system the proceedings of the meeting did not record. Transcription from clerk's notes.

Minutes December 08, 2010 Rural Fire Board Meeting: Tom Eddy requested the following correction to the minutes. Insert Mr. Eddy as the resident commented..... page 2. Francis Davidson requested the following addition to the minutes. The attachment, "Exhibit A" is 20 pages, therefore is an attachment to the December 8, 2010 permanent minute file. Exhibit A includes email dated November 24, 2010 with attachments Fire Recovery USA Service Agreement and a list of company services; City of Polson Resolution establishing and implementing a program to charge mitigation rates for the deployment of emergency services by the Polson Fire Department dated November, 2010; Resolution – Polson Rural Fire District Resolution establishing and implementing a program to charge mitigation rates for the deployment of emergency services by the Polson Rural Fire District dated November, 2010. {No day appeared in either resolution}. **Motion Trustee Stanley to approve December 08, 2010 minutes with correction by Mr. Eddy and addition submitted by Mr. Davidson, second Trustee Clapp. Motion carried unanimously.**

Communications: Big Arm Association schedule use of Big Arm Fire Hall – Tuesday, January 4th 10:30 a.m. meeting approximately 2 hours; Thursday, January 13th 10:30 a.m. community coffee hour approximately 2 hours; Friday, January 21st 5:00 p.m. community potluck. Exercise class may start again on Wednesday mornings at 10:00 a.m. no schedule at this time. Schedule submitted by Alison Meslin, Big Arm Association.

Communication to Polson Rural Fire District Board of Trustees regarding charging new fees for accident responses from former board members Paul Laisy, Jim Manley, and Alison Meslin received January 12th after 5:00 p.m. read by Trustee Clapp as follows:

We former board members have been contacted by numerous people about this, and believe clarification on some points is appropriate:

1. The current board's letter to the editor indicated this was under consideration by the former board. This is misleading. This was considered and rejected by the former board, for some of the reasons below.
2. The fees suggested by the fire chief to the former board were in the area of \$200-\$300. There was never a suggestion of fees like those in the proposals now (which were apparently e-mailed to us by mistake), such as \$400-\$2,200 PER HOUR.
3. While the current board cites other fire districts which do charge such fees, such as Ronan, our investigation showed that the great majority of rural fire districts in Montana do not charge these.

4. Our investigation did not substantiate the claim that these will just be paid by auto insurance. In fact, many auto policies do not cover these, and it is doubtful other policies would cover anything close to these high numbers.
5. Such additional fees or taxes cannot be justified by the claim of “increased operation costs”. In each of the past three years, the district costs were less than budgeted, and the board had a surplus. This allowed the past board, each year, to put money into the capital reserve account for emergency expenses and new equipment. The extra mill levy for the truck debt also has a surplus which should be used to pay extra on the vehicle debt. It was our plan that that debt would be paid off early, and then the mill levy would be retired, and property taxes would be reduced.
6. The new fees cannot be justified by claiming “decreased revenue”. The current board actually has had a large increase, best described as a windfall, resulting in a significant increase in money available for operations. This occurred for two reasons:
 1. Property tax assessments went up substantially.
 2. The County made a mistake in figuring the mill levy, so the fire district is getting more money than it is supposed to get.
7. The suggestion that this will only be charged to non-residents of the district is legally questionable. Other Montana cities have attempted to discriminate this way on taxes or fees, and been found in violation of the constitutional guarantee of equal protection under the law. As far as we know, the board has not secured any legal opinion that this would be legal. If the discrimination is on some other basis, such as “the Fire Chief will decide on a case-by-case basis”, the legality would be even more doubtful.
8. There is serious concern for the lack of standards. The Fire Chief suggested this would only be charged to the party “at fault”, and that perhaps he would decide who was at fault. The determination of “fault” is not a simple matter. It is doubtful the Fire Chief is qualified to make such a determination. The board does not seem to have budgeted anything to defend legal actions challenging either that Fire Chief’s “fault” finding, questions regarding illegal discrimination, or the other issues below. Has the board thought about how much more that could cost tax payers?
9. The Fire Chief’s e-mail to the board last fall, which was sent to us by mistake, raised other legal concerns:
 1. The money collected by the rural board was to be paid to Polson City.
 2. The decisions, on how rural revenue would be charged or spent, were delegated to the discretion of the city manager.
 3. The rural collections would be used for the city fire department.

It doesn't appear the Board has even considered whether these actions violate Montana law. Is the board getting any independent legal advice (i.e., other than from the City Attorney)?
10. The Fire Chief’s communication, sent to us by mistake, indicated discussions and decisions were being made outside the board’s open meetings. We understand a citizen raised this question at the last board meeting and it was ignored by the board. This is not the first time there have been questions about the new board violating the Montana Open Meeting Laws. An independent investigation of this seems in order, absent some explanation by the board.

11. The most common question or complaint we heard while on the board, was why so many fire vehicles were sent to every auto accident. This program would certainly increase such concerns, with the public asking whether the decision on the number of vehicles is motivated by the extra fees charged per vehicle. It would seem to be a legitimate question.

Dated January 12, 2011

ss/ Paul Laisy
ss/ Jim Manley
ss/ Alison Meslin

Response read by Trustee Clapp.

Polson Rural Fire District – January 12, 2011

In light of recent discussions and comments in the media regarding the decision to start billing for motor vehicle response (MVR), much of it containing false and misleading information, the Trustees of the District feel compelled to provide the following information. At the outset it should be stated that the decision to seek reimbursement has been made. However, in light of the some of the concerns expressed, many by persons outside this District, the Board will respond. It should be noted that the Trustees see their responsibility as being to the taxpayers of this District in continuing to provide the best service possible when it comes to preservation of life and property.

MYTH #1 - Polson, MT is unique in advancing these charges:

Given the information that has been set forth in the media, it would seem to suggest that Polson was the first to initiate this concept. Not only are communities across the state and across the country charging for motor vehicle response, over a dozen communities right here in western Montana are currently charging and some have been doing so for nearly a decade. These include: Kalispell; Evergreen; Big Fork; Smith Valley; Eureka; Ronan; Arlee; Clinton; Hamilton; Corvallis; Thompson Falls; St. Regis; and West End. Other nearby communities are looking at charging and expect to implement a policy soon.

MYTH #2 – The decision to adopt these charges was done without public awareness:

This concept was first looked at it discussed by the Polson Rural Fire Board in the summer of 2009. It again came to the table in the fall of 2010. Not only was this openly discussed during at least three Board meetings, it was also publicized in the monthly agenda which is published in advance of the meetings.

MYTH #3 – The amount charged is unreasonable for the service provided:

The amount to be billed is actually less than what many of the surrounding departments charge. In arriving at the amount to be charged, the Trustees looked at data from FEMA, cost of equipment, cost of maintenance, fuel costs, insurance costs, and personnel costs (although all are volunteers there are costs for training, turn-out gear, workers comp, etc.) In addition, the Trustees looked at what neighboring departments have been charging and actually set their rates below many of these and in line with others.

MYTH #4 – The charges are hourly and could escalate to large numbers:

The charges are per occurrence, not hourly. One is for responses of less than an hour, a different charge for those responses that exceed an hour.

MYTH #5 – The charges are not covered by automobile insurance policies;

There is much misinformation about this, with many local agents questioning whether the charges are covered or not. A number of companies, when contacted directly, have stated that the charges are covered. Moreover, each of the departments who are charging currently are collecting their charges each month, and many have been doing so for years. Finally, each of the billing companies who bill for these service have stated unequivocally that they are covered and they are being paid.

MYTH #6 – These services are paid for in the fire taxes:

The portion of the property tax which goes for fire protection is for just that, fire protection. These services are not fire protection, although many, but not all, departments have chosen to provide them. In addition, in more cases than not, these services are being used by someone from outside the district who pays nothing toward them.

MYTH #7 – Polson Rural Fire District (PRFD) has more money than it needs:

As will be explained at tonight's meeting, PRFD does not have an excess of funds and in fact, the budget has remained nearly level for the past three years. At the same time costs have increased. There was a mistake made by the County is assessing the taxes, and as will be discussed tonight, those funds will be returned to the taxpayers.

MYTH #8 – Automobile insurance rates will increase as a result:

The lack of logic behind this statement should be apparent. Regardless of whether Polson charges or not, more and more communities are charging and have charged for some time. This harkens back to the earlier myth, "its not covered." If its not covered there would be no risk that a person would pay for it in their premium. On the other hand, if it covered, it is already being provided to take care of all those jurisdiction that do charge.

Who will be billed and why?

PRFD has determined to charge the person to whom the service is rendered. It is not up to PRFD to determine liability, but rather up to the insurance companies involved.

What are the alternatives?

As costs continue to increase, there are two alternatives, look at additional funding to cover those costs, or cut services. The Trustees of the PRFB have determined that this is a viable and equitable way to continue to maintain the high level of service the members of this community have come to expect. Neither the firefighters, nor the Trustees of the PRFB, receive anything additional for this, except the knowledge that someone's injuries may be reduced or someone's life may be saved.

Mr. Tom Eddy submitted and read the following letter regarding the board's plan to bill for traffic accidents.

At the December meeting of this board, several people raised objections about the board's plan to bill for traffic accident response. The primary objections were 1.) that taxpayers have already been supporting this service and 2.) the fire department does not have a revenue crisis justifying this plan.

In an attempt to "To clarify", the board submitted a letter to the editor of the Leader which was published in the December 16 issue. Unfortunately, this letter did very little to clarify – and on at least one issue, provided inaccurate information. (For example the board states, "...drivers are paying for this type of service through their automobile insurance which pays the reimbursement charges." Subsequent research shows ~~the~~ that most insurance companies DO NOT cover these charges.)

However, I would like to address the board's second "reason" for implementing this plan. This states, "...the majority of people utilizing this service are from outside the community and contribute nothing to it." Chief Fairchild reiterated this sentiment to the Missoulian when he said, "The majority of wrecks the fire departments respond to involve people from elsewhere who don't pay a dime to support local services in the first place."

Until last year, I was one of those "outsiders". After all, I resided in IL, my vehicle was registered in IL. and I had an IL. driver's license. As "outsiders", my family has been coming to Polson for over 50-years. We were usually in Polson for 3 to 4 months every year – sometimes longer. While here, we frequently had other "outsiders" as guests. And while here we and our guests, shopped in Polson, dined in Polson restaurants, had our vehicles serviced in Polson, went rafting in Polson, bought fishing licenses in Polson, - and when my wife and I die, we will be buried in Polson. But this is not about me. Without much thought I can name a dozen other "outsiders" with similar stories. I suspect you can too. They come from California, Arizona, Nevada, Texas, Illinois and elsewhere to enjoy the beauty and recreation here. And some, like I have eventually bought property, built houses and become taxpayers.

To say these "outsiders" contribute "nothing" to the community is insult. Polson is a community that depends on "outsiders" for its economy.

I believe the fire department's plan is a poke in the eye of these "outsiders" who help Polson businesses to survive. (And by the way, we "locals" will get a poke in the eye too!)

Tom Eddy

January 12, 2011

Claims: Motion Trustee Stanley to pay December 2010 bills as submitted, second Trustee Clapp. Motion carried unanimously.

Treasury Report for month ending December 2010:

Fund balances are preliminary. December 2010 reports not available from Lake County Treasurer.

Fund #7243 Voted Levy/Operating Fund Balance	\$ 95,668.45
Fund #7245 Operating Fund Balance	\$ <u>26,559.24</u>
Total Operating Balance:	\$ 122,227.69
Fund #7244 Voted Levy {Fire Apparatus}	\$ 7,312.89
Fund #7246 Capital Improvement Fund Balance	\$ 26,749.94
Total Operating Fund Expenditures	\$ 10,935.94
Check numbers 4406-4470 (paid January 12, 2011)	

Final Lake County Treasurer report December revenue posted.

Fund #7243 Voted Levy/Operating Fund Balance	\$ 95,937.42
Fund #7245 Operating Fund Balance	\$ <u>60,679.50</u>
Total Operating Balance:	\$ 156,616.92
Fund #7244 Voted Levy {Fire Apparatus}	\$ 7,664.96
Fund #7246 Capital Improvement Fund Balance	\$ 26,749.94

Additionally Chairman Nelson mentioned the debt service payments on the 2007 apparatus and Rural Fairgrounds Fire Station were processed early with an approximate semi-annual interest savings of \$500. **Motion Trustee Clapp to approve treasury report, second Trustee Stanley. Motion carried unanimously.**

Chief's report: Fire Chief Fairchild reported 12 runs in December with 5 runs for rural response including 1 rural fire, 3 ice related vehicle crashes, and one other response. One volunteer membership application is being reviewed. Doug's Custom Shop, Kalispell is installing the truck bed and step; Polson Rural Fire Engine #333 lettering is complete. Bob McCrea, Tribal Division of Fire, and Fire Chief Fairchild met with Russ Barber regarding the pre-planning for the Jette area. Water is available at the Jette area for fire suppression. Water use will be monitored and a fee may be applied. Morelli Electric installed motion sensor lighting in the bays and meeting room and completed the electrical upgrade at Station #2 in Big Arm. The following quotes to provide firefighter physicals were received. St. Joseph Medical Center: a). Physical exam with peak flow meter \$80; b). Wave fee for any EKG required due to age; c). HEP vaccine series charge of \$195 for the 3 shot series. St. Luke Community Clinic: a). Office visit \$25; b). UA \$10; c). EKG \$76.68 over 40 years old; d). HEP vaccine series \$50 each for three shot series. **Motion Trustee Clapp to accept offer from St. Joseph Medical Center, second Trustee Hoel. Motion carried unanimously.**

Chairman Nelson deviated from the agenda and moved to new business.

New Business:

POLSON RURAL FIRE DISTRICT MILL LEVY ADJUSTMENT – Lake County Commissioner Paddy Trusler and Lake County Treasurer Patti Kugler discussed the county error levying excess real property tax operating mills in the Polson Rural Fire District. Property in the district was overtaxed \$57,000 in 2009 and \$64,000 in 2010. The refund is approximately \$13.00 per year for the average residential structure. Commissioner Trusler proposed applying the \$121,000 to the debt on the Fairgrounds Rural Fire Station which would benefit the district three fold or adjust the 2011 real property taxes. The current debt on the Fairgrounds Rural Fire Station is \$156,000. Attorney for the Montana Association of Counties (MACo) will investigate the proposal to use the excess mills to retire the debt on the Fairgrounds Rural Fire Station. The 2009 tax appeals reduced the taxable value from the original certified mill levy \$17,363 to \$16,200. Commissioner Trusler will have a more definitive answer regarding the excess mills levied at the next meeting. **Motion Trustee Stanley to utilize excess mills levied to reduce debt on the Fairgrounds Rural Fire Station following investigation and conclusion by MACo , second Trustee Hoel. Motion carried unanimously.**

Old Business:

UPDATE COMPONENTS FOR NEW TYPE 3 TRUCK – Fire Chief Fairchild reported the components are on order. The project is funded by the capital equipment fund with no increase to taxpayers.

CONTRACT UPDATE FOR RESPONSE TO VEHICLE ACCIDENTS - Chairman Nelson indicated all fees collected will be rural fire district revenue. The description of services will include claims for all auto crashes, and vehicle fire related incidents sent to the insurance company and invoice the person or persons involved in the incident as directed by the Polson Rural Fire District. Trustee Stanley explained it is a common practice to be reimbursed for the cost of disposable supplies and collect a fee for the response. Mr. Eddy suggested the bill be submitted to the insurance company and the individual at fault. Mr. Davidson also suggested the bill submitted to the insurance company with a copy to individual. Trustee Stanley indicated the signed contract will not change tonight. Mr. Eddy expressed the board is working with a moving target. **Motion Trustee Stanley to adopt Bigfork Rural Fire Department rate schedule and the board review the reports prior to being submitted to the insurance company and individual, second Trustee Clapp.** Mr. Eddy requested the rates read. The response rates are \$500 no tools less than one hour on scene; \$750 extrication less than one hour on scene; \$1,500 no tools more than one hour on scene; \$1,750 extrication more than one hour one scene. Mr. Eddy commented the fees are not justified. **Motion carried unanimously.**

INVENTORY REVIEW LIST – Trustee Stanley reviewed the inventory list following the December meeting. Currently the list is up to date. New purchases should be added promptly.

ELECTION ALTERNATIVES – Trustee Clapp presented Lake County Elections Office cost estimate for a poll election and a mail ballot election. The estimate for a poll ballot is \$2,534.05 and a mail ballot \$2,462.91. Currently a legislative bill is before the Montana State Legislature to make all elections a mail ballot. He indicated the mail ballot vote canvass is 40 to 45 percent, while the poll vote canvass is in the teens. **Motion Trustee Clapp request secretary to contact Lake County Elections Office to proceed with a mail ballot for the May 2011 Polson Rural Fire District Election, second Trustee Hoel.** Lee Manicke expressed his concerns regarding the proposed mail ballot election, stating that more votes isn't always better. He questioned the quality of the votes cast by a mail ballot. Absentee ballots are available for those who want to vote by mail or unable to physically go to the polling station. He related a negative experience during a school district mail ballot election. Lee spoke in favor of the voting booth procedure, which doesn't allow for manipulation of the mail ballots. Trustee Clapp indicated currently 469 voters request permanent absentee ballots. **Motion carried unanimously.**

New Business:

E911 REPORT BY LAKE COUNTY COMMISSIONER BILL BARRON – Lake County Commissioner Barron discussed the 911 service provided by the Lake County Sheriff's Office. Currently the 911 service is budgeted and controlled by the Sheriff's Office, while other law enforcement and emergency response agencies pay a fee to use the services. There is consideration to remove the 911 service from the sheriff's office and create an independent 911 service. The proposed re-organization would provide for equal representation for all agencies using the service. The center would be funded by a mill levy to pay wages, training, etc. An adjustment to taxes will be returned in a formula to provide for an independent 911 service. Lake County Commissioners would like the support of the rural fire board. Chairman Nelson commented the 911 service should be considered as a mill levy or a flat fee. Commissioner Barron indicated the proposal is a work in progress and the levy will be put to a public vote. Fire Chief Fairchild commented it would be in the best interest of the district to support the proposal. Trustee Stanley is concerned with funding. **Motion Trustee Clapp to support investigating the independent 911 service with impact and costs, second Trustee Stanley. Motion carried unanimously.** Trustee Stanley thanked Commissioner Barron for Lake County's support for the Fairgrounds facility. Commissioner Barron apologized for the county's mill calculation levy error in the Polson Rural Fire District.

Public Input on Non Agenda Items: – Tom Eddy addressed the board with information of funding the Polson Rural Fire District. He provided a chart projecting operating revenues and expenses 2010 to 2015 after tax rate correction. The analysis indicates an excess of funds. Mr. Eddy requested the chart added to the minutes. Trustee Clapp commented the rural tax payers impact the green (revenue) line. Trustee Stanley commented the cost to employ paid firefighters 24/7 would be excessive. It is the effort of the board to support the volunteers. John Stevens commented the truck levy was to upgrade and add two new trucks. A type 1 engine costs \$343,000. Trustee Stanley noted in years of minimal expenses funds were put in the capital improvement fund to upgrade equipment. In 2009, 2300 real property tax appeals were filed with the Department of Revenue which resulted in reduced revenue for the district. ~~Mr. Eddy requested an explanation for the retained revenue rational.~~ {Mr. Eddy suggested striking the previous sentence}. Jerry Peterson requested a profit and loss statement. Clerk Bonnie Manicke advised the district is not a business, therefore, the annual financial report submitted to the Department of Administration provides the data required. The annual report provides a summary of revenue, expenditures, debt obligation, and fixed assets maintained by the district. As a resident and property owner, Mrs. Manicke further clarified the functions of the district. She resides in the city of Polson, and owns property in the Polson Rural Fire District south of the bridge. The Polson Rural Fire District maintains a frugal annual operational budget of \$125,000. The board limits operational expenses and maintains an adequate level of service. The two new engines purchased in 2007 were \$513,000. In May 2006, the district voters approved a 5.00 mill levy for equipment with the levy to sunset in 2012; and an additional 3.82 mill levy for operations until rescinded. The rural wildland response equipment experiences hard use in the rough terrain. Maintenance of the equipment can be an expensive factor. The volunteers provide an excellent public safety service to the area and are on call 24/7 as “volunteer” firefighters. The district would not in any imagination have the ability to fund a paid department at the current level of revenue. Referring to the green (revenue) line on the chart submitted by Mr. Eddy could indicate a minimal increase per property owner. She expressed the district can keep my “extra quarter” to fund an adequate fire department. The excess mills levied in error by Lake County was an honest mistake. The excess funds would be best utilized to reduce the debt on the Fairground Rural Fire Station. The station constructed in 2009 has a \$156,000 outstanding debt with debt service paid semi-annually from the operating budget. The new station is an asset to the community and currently a number of organizations utilize the meeting room. ~~Mr. Eddy indicated support for reducing the debt with the excess mills levied.~~ Mr. Eddy corrected the previous sentence stating one of the possibilities is to reduce the debt with the excess mills levied, although he did not necessary support that specific possibility. The vehicle response fee is relatively common in Montana. Currently the response in the Polson Rural Fire District is funded by real property tax revenue in the operating budget. An increase in the number of responses could create an excessive expense and require additional real property mills levied to maintain an adequate budget and level of service.

Motion Trustee Clapp to adjourn, second Trustee Hoel. Motion carried unanimously.

Polson Rural Fire District meeting adjourned 8:45 p.m.

Fred J. Nelson, Chairman

Beth Hoel, Secretary-Treasurer