

GALLATIN RIVER RANCH RURAL FIRE DISTRICT BOARD OF TRUSTEES MEETING

3/13/2022 beginning at 3 pm
GRR Equestrian Center Tack Room
725 Equestrian Center Loop Road
Manhattan, MT 59741

Present: Presiding Officer/Chair Spencer Millimen
Trustees: Vice Chair Richard Anderson, Secretary Susan Piechowski, Rick McCourt
Trustees absent: Treasurer Wendy Ward

Also present: Chief Marlin Sprow, Executive Assistant [John Andrews](#)

No members of the public were present at this open public meeting.

Quorum was established and the meeting was called to order at 1500 hours.

DISCUSSION OF POTENTIAL CONSOLIDATION WITH MANHATTAN RURAL FIRE DISTRICT.

Millimen and McCourt met with the MRFD Board of Trustees on 3/9/22. The meeting was a very positive one. Millimen and McCourt discussed the positives and limitations of GRRRFD relative to consolidation. The MRFD Board wanted some financial data, which was furnished the day after the meeting. Chief Ulmen of MVFD favors consolidation and said he does not think it will lead to downgrading of MRFD's 4-Y ISO rating as long as GRRRFD completes its currently planned water access and fire station projects.

There was considerable discussion about the new GRRRFD fire station and its costs. The current bid/estimate by the sole contractor interested in the project is \$350,000. GRRRFD will need to take out a loan of \$200,000 to cover this (which Manhattan Bank has already approved and agreed to in principle in the past, pending actual cost estimation). The pros and cons of this loan and its amount were discussed. GRRRFD has a \$170,000 balance in its bank account, which includes operating funds and reserve; it will receive an additional \$47,000 in tax revenue in May. This will provide adequate funds to pay for the project.

The MRFD made clear that the mill rate for a new district would be the current MRFD mill rate. This will reduce taxes to GRRRFD property owners and will reduce the amount of tax revenue coming into the consolidated district from the current GRRRFD tax base. However, expenses of the GRRRFD portion are low and there would be a significant excess of revenue over expenses that should easily cover the costs of the fire station.

One metric the Trustees discussed is to look at the baseline operating expenses of the district versus the expected tax revenue based on the MRFD mill rate.

NEW STATION PROJECT

The District has received a cost estimate from CT Construction. The estimated total cost is \$349,245.45. This is considerably higher than the Trustees hoped it would be, but is probably a reasonable estimate based on the current building and materials costs found in the region. Chief Sprow reported that the Bozeman fire chief had said that building costs for a new Bozeman fire station had risen about 80% in the past year or two, and that they'd gotten an estimate of \$800 per square foot. Thus, the above bid is not surprising.

The CT Construction estimate lacks specifics and was not accompanied by a sample contract for the Board to review. CT Construction is the only contractor [Bruce Reynolds](#) was able to find that was willing to even consider the project. Building contractors in Gallatin Valley are very busy and most are "booked out" more than a year. We do not have any information about how soon CT could start the project.

After much discussion, Millimen made a motion: To proceed to the next steps in contract and bid evaluation with an upper limit expense of \$350,000 for the new fire station project. Seconded by Piechowski. Vote to approve: Millimen, Anderson, Piechowski, McCourt. Ward was absent from the meeting.

The next steps will include the following:

1. Trustee McCourt agreed to take the lead role in discussions and coordination with CT Construction.
2. Andrews will contact CT Construction to inform them of McCourt's role and to facilitate a meeting between CT and McCourt, ideally with [Bruce Reynolds](#) present in order to transition the role Reynolds has filled over to McCourt.
 - a. In this contact, more specific information will be requested from CT about the estimate and a sample contract will be requested.
 - b. A meeting in the near future will be requested and scheduled.
3. Andrews will:
 - a. Contact Manhattan Bank to start the next steps in the loan process.
 - b. Ask for MRFD financials
 - c. Ask Trustee Ward to work on an analysis of the expected costs vs revenue using the Manhattan RFD mill rate.
 - d. Ask architect [Randy Visser](#) for hard copies of the plans for the station.

The meeting was adjourned at 1552 hours.

Spencer Millimen, Chair

Date

Susan Piechowski, Secretary

Date