

**RESOLUTION
BOARD OF DIRECTORS
NORTH-WEST FIRE PROTECTION DISTRICT**

A RESOLUTION 1) ESTABLISHING A STIPEND (NOMINAL FEE) PROGRAM AND 2) CLOSING THE VOLUNTEER FIREFIGHTER PENSION FUND TO NEW MEMBERS

WHEREAS, the North-West Fire Protection District ("**Fire Department**") is a political subdivision of the State of Colorado, formed pursuant to C.R.S. § 32-1-101, *et seq.* to provide fire suppression, fire prevention, emergency medical, emergency rescue, and hazardous materials services (collectively, "**Emergency Services**") to the citizens and their property within its jurisdiction, and to individuals passing through its jurisdiction;

WHEREAS, in order to meet its Emergency Services obligations, the District's Board of Directors ("**Board**") established a Volunteer Firefighter Program ("**Volunteer Program**"). Volunteer firefighters ("**Volunteers**") who participate in the Volunteer Program provide Emergency Services to the District for civic, charitable and/or humanitarian reasons, without promise, expectation or receipt of compensation within the meaning of the Fair Labor Standards Act of 1938, 29 U.S.C.A. §§ 201, *et seq.* and the regulations of the U.S. Department of Labor Wage and Hour Division, 29 C.F.R. §553.100, *et seq.*, interpreting and implementing the Fair Labor Standards Act (collectively, "**FLSA**");

WHEREAS, in accordance with the Colorado Volunteer Firefighter Pension Act, C.R.S. §31-30-1103, and predecessor statutes ("**Volunteer Pension Act**"), the District established the North-West Fire Protection District Volunteer Firefighter Pension Fund ("**Pension Fund**"). Individuals who participate in the District's Volunteer Program, and who meet the requirements imposed by the District Board, the Pension Fund Board of Trustees ("**Pension Board**"), and State law, are eligible to participate in the Pension Fund;

WHEREAS, historically, individuals participating in the District's Volunteer Program provided years of volunteer Emergency Services to, and often retired from, the District and, when eligible, received pension benefits from the District's Pension Fund. Pursuant to State law, and the policies established by the District Board and Pension Board, an individual must provide a minimum of 10 years of volunteer Emergency Services to the District before becoming eligible to receive a pension benefit from the District's Pension Fund;

WHEREAS, in recent years, the goals and needs of individuals participating in the District's Volunteer Program have changed. Few individuals provide volunteer Emergency Services to the District for extended periods of time. Instead, individuals frequently provide volunteer Emergency Services as a means to obtaining a paid firefighter position with the District or other Fire Departments within the State or nationally. As a result, these individuals have no expectation of, or interest in, becoming eligible to receive pension benefits from the District's Pension Fund;

WHEREAS, the District Board has determined it is in the best interests of the District, the individuals providing volunteer Emergency Services to the District, and the citizens and taxpayers within the District's jurisdiction, to establish a Stipend (Nominal Fee) Program ("**Stipend Program**") on the terms and conditions set forth in this Resolution; and,

WHEREAS, the District Board has determined it is in the best interests of the District, the individuals providing volunteer Emergency Services to the District, and the citizens and taxpayers within the District's jurisdiction, to close the District's Pension Fund to new members on February 28, 2011. Volunteers accepted into the District's Volunteer Program after February 28, 2011 will not be eligible to participate in the Pension Fund and will only be eligible to participate in the Stipend Program.

NOW THEREFORE, be it resolved by the District Board that:

A. Establishment of a Stipend (Nominal Fee) Program

1) Effective March 1, 2011, the following Stipend Program is established as part of the District's Volunteer Program:

a. Annual Stipend. Eligible Volunteers will receive an annual stipend in accordance with the following schedules:

i. Certification Level

- Colorado Firefighter II \$50 annually
- Colorado EMT-B \$100 annually
- Colorado EMT-I \$125 annually
- Colorado EMT-P \$175 annually
- Colorado Hazardous Materials Technician \$100 annually
- Engine Boss \$100 annually

ii. Experience

- 0-1 Years -\$0-
- 2-3 years \$100per year of service
- 3-6 Years \$150per year of service
- 7-10 Years \$175per year of service
- 11-14 Years \$200per year of service
- 15 years or more \$225per year of service

b. Payment. Annual stipends will be paid in October of each year, based on the certification(s) held and experience level attained during the preceding 12 calendar months. Annual stipends are intended to pay Volunteers a "nominal fee" within the meaning of the FLSA. Under no circumstances will a Volunteer receive "compensation" within the meaning of the FLSA. Volunteers will at all times, and for all purposes, be a volunteer. The IRS considers the annual stipends to be taxable income, so the District will make appropriate withholdings and deductions, and Volunteers will receive a W-2 for all stipends received.

c. Eligibility. In order to receive an annual stipend under the Stipend Program, the following requirements must be met annually:

i. Volunteers who began participating in the District's Volunteer Program on or before December 31, 2006, must complete two 12-hour shifts during each of the 12 calendar months immediately preceding October 1 of each year or respond to 10% of the total calls to which the District responded during the 12 calendar months immediately preceding

October 1 of each year or an acceptable combination of the two options as determined by the chief.

ii. Volunteers who began participating in the District's Volunteer program on or after January 1, 2007, must complete two 12-hour shifts during each of the 12 calendar months immediately preceding October 1 of each year.

iii. All volunteers must complete 48 hours of training during the 12 calendar months immediately preceding October 1 of each year; of the 48 hours, at least 12 hours of training must be completed in-house at the District.

iv. A Volunteer must have held a valid certification for the 12 calendar months immediately preceding October 1 for the Volunteer to receive an annual stipend for that certification. Minimum required certifications to qualify fully for the annual stipend are Firefighter 1, Hazardous Materials Operations, S130/190, and First Responder First Aid. If you have only 2 or 3 of those certifications you will qualify for half of the stipend amount for that year. Any less than 2 of those certification will not qualify for any stipend.

v. Before October 1 of each year, Volunteers must complete and sign the District's Volunteer Firefighter Stipend Form, which must be signed by a Shift Commander or Assistant Chief and approved by the Fire Chief.

2) The District Board may modify or eliminate the Stipend Program at any time in its sole discretion, including but not limited to modifying the amount of annual stipends to be received and/or the eligibility requirements.

B. Pension Fund Closed to New Members.

1) Effective March 1, 2011, the Pension Fund is closed to new members.

2) Volunteers who were participating in the Pension Fund on or before December 31, 2011, and who are vested in the Pension Fund (*i.e.*, they have 10 years or more of pension credit) must continue to participate in the Pension Fund and are not eligible to participate in the Stipend Program;

3) Individuals accepted into the District's Volunteer Program on or after January 1, 2011 may only participate in the Stipend Program and are not eligible to participate in the Pension Fund.

4) Volunteers who were participating in the Pension Fund on or before December 31, 2011, and who have not yet vested in the Pension Fund (*i.e.*, they have less than 10 years of pension credit) shall be given the option of continuing to participate in the Pension Fund or to transfer to the Stipend Program by completing and submitting to the District a Volunteer Election Form in substantially the form attached as **Exhibit A** to this Resolution. Individuals who elect to participate in the Stipend Program may not subsequently participate, or attempt to participate, in the Pension Fund; however, individuals who elect to continue participating the Pension Fund may switch to the Stipend Program at any time before they vest in the Pension Fund(*i.e.*, before they have 10 years or more of pension credit). Volunteers must complete and return the attached Volunteer Election Form before March 1, 2011.

5) A Volunteer who elects to stop participating in the Pension Fund, and who begins participating in the Stipend Program, may not subsequently participate, or attempt to participate, in the Pension Fund.

C. Additional Provisions

1) An individual shall not be coerced, intimidated or otherwise influenced in any manner to elect to participate in either the Pension Fund or the Stipend Program, or to switch from the Pension Fund to the Stipend Program, it being the express intent and goal of the Board that each individual voluntarily evaluate Pension Fund and the Stipend Program and determine which best meets the needs and goals of the individual.

ADOPTED AND APPROVED this 9th day of February, 2011.

BY THE BOARD OF DIRECTORS
NORTH-WEST FIRE PROTECTION DISTRICT

Director

Director

Director

Director

Director

EXHIBIT A VOLUNTEER ELECTION FORM

The North-West Fire Protection District ("***District***") is a political subdivision of the State of Colorado organized to provide fire suppression, fire prevention, emergency medical, rescue and hazardous materials services (collectively, "***Emergency Services***") to the citizens and their property within, and individuals passing through, its boundaries. To meet its Emergency Services obligations, the District Board of Directors ("***Board***") established a Volunteer Firefighter Program ("***Volunteer Program***"). Volunteer firefighters ("***Volunteers***") who participate in the Volunteer Program provide Emergency Services to the District for civic, charitable and/or humanitarian reasons, without promise, expectation or receipt of compensation within the meaning of the Fair Labor Standards Act of 1938, 29 U.S.C.A. §§ 201, *et seq.* and the regulations of the U.S. Department of Labor Wage and Hour Division, 29 C.F.R. §553.100, *et seq.*, interpreting and implementing the Fair Labor Standards Act.

In accordance with the Colorado Volunteer Firefighter Pension Act, C.R.S. §31-30-1103, and predecessor statutes ("***Volunteer Pension Act***"), the District established the North-West Fire Protection District Volunteer Firefighter Pension Fund ("***Pension Fund***"). Volunteers participating in the Volunteer Program, and who meet the requirements imposed by the Board, the Pension Fund Board of Trustees, and State law, are eligible to participate in the Pension Fund;

During a duly posted public meeting held on February 9, 2011, the Board adopted Resolution No. 11-05, which 1) established a Stipend (Nominal Fee) Program ("***Stipend Program***"); and, 2) closed the Pension Fund to new members effective March 1, 2011. A copy of the Resolution is attached to this Form. **Please read the attached Resolution carefully.** In the Resolution, the Board directed that all Volunteers participating in the Pension Fund on or before February 28, 2011, and who have not yet vested in the Pension Fund (*i.e.*, they have less than 10 years of pension credit), be given the option of continuing to participate in the Pension Fund or to transfer to the Stipend Program by completing and submitting to the District this Volunteer Election Form. Volunteers who elect to participate in the Stipend Program may not subsequently participate in the Pension Fund; however, individuals who elect to continue participating in the Pension Fund may switch to the Stipend Program at any time before they vest in the Pension Fund (*i.e.*, before they have 10 years or more of pension service credit).

A Volunteer who elects to stop participating in the Pension Fund and begin participating in the Stipend Program may not subsequently participate in the Pension Fund.

NOTICE!!

- **Please read the attached Resolution carefully. It contains important information regarding the Pension Fund and the Stipend Program.**
- **Volunteers participating in the Stipend Program are not eligible to participate in the Pension Fund. Once a Volunteer begins participating in the Stipend Program the Volunteer may not subsequently participate in the Pension Fund.**
- **A Volunteer participating in the Pension Fund may, at any time before vesting in the Pension Fund, elect to stop participating in the Pension Fund and begin participating in the Stipend Program. A Volunteer who stops participating in the Pension Fund and begins participating in the Stipend Program may not subsequently participate in the Pension Fund.**

