

**MINUTES  
BOARD OF DIRECTORS STUDY SESSION  
NORTH METRO FIRE RESCUE DISTRICT  
ADMINISTRATIVE HEADQUARTERS  
101 SPADER WAY, BROOMFIELD, CO 80020**

Date: November 27, 2018

**BOARD MEMBERS PRESENT:**

John Abboud, President  
Peter Billera, Vice President  
Tim Long, Treasurer  
Jenni Murphy, Secretary  
Richard Miller, Asst. Secretary

**STAFF PRESENT:**

David Ramos, Fire Chief  
David Anderson, Deputy Chief, Support Services  
Jeff Bybee, Deputy Chief, Operations  
Lisa Willis, Chief Financial Officer  
Eileen Gomez, Human Resources Manager  
Steve Gosselin, Division Chief, Fire Prevention  
Sara Farris, PIO

**LEGAL COUNSEL:**

none

**A. Call to Order**

President Abboud called the Board of Directors meeting to order at 4:00 p.m. on November 27, 2018.

**B. Additions/Deletions to Agenda**

None.

**C. Study Session**

1. Proposed 2019 Budget

Chief Ramos summarized what was covered at the last Board meeting, which included revenue for all funds and expenditures for all funds except for the General Fund and Capital Improvements Fund. He asked the Board if there were any questions about revenue from the materials that were provided.

President Abboud asked what the approved employee count is for 2018 and 2019. Chief Ramos replied that there is one additional line firefighter approved for 2019 to cover overtime for paramedic school. There were two positions that were hired in late 2018. The Board did approve

two new hires, but with an unexpected resignation, that number is now just one, and the budget was modified to reflect this change.

Director Long noted that when he joined the Board, he was interested in diversifying revenues. He asked if there are any new ideas on the horizon for new revenue. Chief Ramos replied that a few new sources for revenue have been identified. Revenue generated from Training Center rental and grant revenues are still the District's primary sources for nontraditional revenue. Impact fees from future development of unincorporated areas of Adams County will be a new revenue source, but there has been little revenue so far. Chief Ramos stated that he would forward a copy of the Impact Fees Study to the new Board members. The study shows the impact fee per housing type. The impact fee revenue must be used for capital expenses such as construction of new facilities and cannot be used for personnel costs.

Director Long asked about TIF reimbursement for Northglenn. Chief Ramos replied that there is an understanding between the District and the City that if a new TIF area is created, Northglenn must, by law, "negotiate" with the District in regards to certain revenue provisions, although the District will not have a vote in whether the City shares TIF revenue with the District or the amount shared if the City chooses to share TIF revenue. The law precludes revisiting the issue of sharing TIF revenue for already established TIF areas. The District will initiate discussions for any newly established TIF development areas. Director Long asked if Northglenn could look at the template used in Broomfield. Chief Ramos stated that this would be appropriate when the time comes.

Chief Ramos addressed a few new documents for the Board's review. The first chart reviewed total expenses by type. He noted that Supplies and Services includes dispatch expenses. The Supplies and Services controllable expenses for 2019, exclusive of dispatch expenses, are expected to decrease. Dispatch increased by 7.9%, mostly due to increasing wages to address high turnover rates. The District's cost sharing for both dispatch centers is determined by IGAs with both ADCOM and Broomfield. Capital outlay for Supplies and Services also is budgeted for a decrease.

Director Long asked if inventory levels are adequate for EMS supplies. CFO Willis noted that the name Supplies and Services is a bit of a misnomer. This category includes everything that is not personnel or capital. This category includes training. The EMS supplies account did increase expenditures in 2019.

CFO Willis reviewed a salary change breakdown chart. This chart broke out new hires for the one new firefighter and the reductions in two recently hired employees' salaries compared to the 2018 Budget. Director Long noted that emergency services employees' salaries would increase by \$291,791 for market adjustments and COLAs. CFO Willis noted that market adjustments and COLAs are defined in the Collective Bargaining Agreement and the Admin Pay Plan. For 2019, the COLA is 3%. She explained that longevity is only applicable to emergency services personnel covered by the Collective Bargaining Agreement after 10 years of employment. As tenure increases, longevity increases. Director Long asked if employees outside of operations are eligible for longevity. CFO Willis replied that only operations employees receive longevity pay. CFO Willis discussed step and rank increases and showed the step increases for firefighters in the first four years of their career. The first step is \$7,200 annually. She noted that this program is actually a cost-saving measure as the District hires new firefighters at a lower salary and gives them

meaningful raises over four years. Chief Ramos added that step increases are magnified now because of large hiring classes in the recent past. Director Long asked if the District ever hires firefighters at higher pay rates than Firefighter IV. Chief Ramos replied that North Metro Fire does not, although other organizations do lateral hiring. The District has not needed to invoke a lateral hire strategy because the employee retention rate has been very good.

CFO Willis reviewed other expenses in personnel by broad category. She discussed overtime, which had increased by \$194,000. The two main components are how many hours are expected and an increase due to increased salaries. This would be discussed in more detail later in the meeting. This does include wildland overtime that is reimbursed. United Healthcare had a 9% increase in premium, affecting medical insurance costs. Director Long is concerned with the 9% increase from United Healthcare. Chief Ramos stated that District staff shares and appreciates Director Long's concern and is working hard to control escalating costs.

CFO Willis reviewed the Division 100 expenses. She noted that wellness and physicals and promotion exams had been moved to the corresponding divisions. Director Long asked what the anticipated legal expenses for 2018 would be. Chief Ramos replied that this is expected to finish the year close to the \$120,000 for the year which is the budgeted amount. There were a few large items this year, such as the employee handbook. CFO Willis prefers to keep this account at a level budget. She noted that the honor guard purchased new uniforms in 2018, which would not occur in 2019. There would not be a director election in 2019. She noted that the well-being credit is now separated from health insurance expense. This is intended to reduce costs over time because employees are visiting their doctors and committing to a plan. Director Miller asked how many employees are administrative. Chief Ramos replied 30 non-line personnel (actually number is 117 line and 32 office, total 149 employees).

CFO Willis remarked that she had added an unanticipated repairs and maintenance for the headquarters building to separate from planned repairs. There is a large decrease to other contracted services, due to the removal of the business plan development. Insurance expense for the District increased 7.6% due to the high cost benefit ratio, especially on vehicles due to high claims.

Chief Gosselin reviewed the Fire Prevention budget. He discussed Community Service overtime, which had a significant increase to account for Friends and Family/Stop the Bleed classes and some Honor Guard overtime. He has budgeted for five classes in 2019 due to their success. Director Murphy asked if this also included overtime for the Citizens Academy. Chief Gosselin replied that it does. Director Abboud asked how much was spent in community service overtime in 2018. CFO Willis replied that this account would be significantly over budget as she did not budget for the CPR classes. She estimates this is at \$17,000 year to date, close to the 2019 budget. President Abboud commented that this is money well spent.

CFO Willis discussed footnote H in the Operations Budget which refers to the benefit analysis that was discussed at the previous meeting.

Chief Bybee discussed the Operations Budget. He began with overtime. He noted that for 2018, the total overtime costs would be very close to the Budget. For 2019, this number was increased

by 3% to accommodate the cost-of-living increase. Wildland overtime was increased by \$100,000 due to a potentially worse wildfire season. Chief Bybee anticipates more deployments in 2019 if the weather conditions continue. North Metro firefighters were deployed in the state of Colorado and California as well as single resource deployments to helipads and at the airport. For natural disaster overtime, there is an increase due to adding two additional team members to Colorado Task Force One. He reminded the Board that these are pass through expenses. Director Murphy asked if there is a time limit for reimbursement. CFO Willis replied that the District receives reimbursement within two to six weeks. This money comes from the federal government (FEMA) to the State of Colorado, who reimburses the District. Chief Ramos noted that this shows up as an expense and later revenue when reimbursed. CFO Willis added that the District is also reimbursed for the use of the wildland vehicle to account for wear and tear. This should result in a small net positive for the year since the vehicle is new.

Chief Bybee discussed the overall increase to Supplies and Services for the emergency services division. Overall the increase is 7.8%, mostly due to items moved from administration and increased dispatch center costs. Chief Bybee noted that regionalization helps save costs for specialized teams as well as pursuing grants and asking oil and gas developers to procure equipment.

Chief Bybee highlighted increases to line items in his division's Budget. There is a 2.8% increase to medical supplies, due to inflation and the increase in the number of calls. Firefighters are tightening controls and procedures to reduce waste. The District is proposing the purchase of new SCBA units which should reduce repair costs. Director Murphy asked if the Board would have the chance to look at the new air packs. Chief Bybee replied that they would. The District would be testing two different air packs with regional partners.

Director Long asked what the biggest surprise was in the proposed Budget. Chief Bybee replied that he is constantly surprised with the costs associated with being a part of two dispatch centers, but being in one center would require transferring some emergency calls from the Public Safety Answering Point to a single dispatch center before the District is dispatched. The call transfer takes approximately two minutes. Director Miller asked why transferring calls takes so long. Chief Ramos replied that the call taker must assess for the type of emergency, confirm jurisdiction and responding units (including police units they control) before transferring the call to the dispatch center for the correct agency.

Director Murphy was surprised at the dispatch cost for Broomfield. Chief Ramos replied that ADCOM is more cost efficient because of the shared resources. The increase to E911 funding in Adams County also helps with ADCOM costs. Broomfield is looking to increase its E911 charges for Jefferson County but it will be difficult given the number of agencies.

Director Miller asked why Wildland per diems were decreased. CFO Willis replied that the amount is a factor of how far they are traveling, how many nights, and the cost of the location. The District has been low in the category historically. In capital outlay, there is an increase to capital equipment to purchase an automated CPR device for Station 65.

Chief Anderson noted that the promotion exam cost for 2019 is actually a \$15,000 decrease. This line item covers exams for Lieutenant and Engineer. This varies each year, and the engineer exam scheduled for 2019 is half the cost of the Lieutenant exam that occurred in 2018.

Chief Anderson discussed the wellness and physicals which is less than 2018 when every line employee received a baseline heart exam.

Chief Anderson highlighted increases to the Training Division Budget. He discussed Blue Card training for incident management system, and noted that it is becoming a regional standard for increased interoperability. Director Long noted that overtime hours were increased for the Blue Card training in 2019. Command Staff was recently trained in a three-day class. Each shift's officers would be trained and then the acting officers would be trained. The training will require overtime or backfill for the officers who are attending the class. He discussed the tuition cost for paramedic school for two firefighters. The District is looking at cyber security and is looking at best practices and implications. Every employee will receive base level awareness training for cyber security in 2019. Cyber security is a huge threat to all government agencies.

Director Billera asked for a breakdown of the Academy expenses. CFO Willis explained that the expenses for the Academy are in two categories: North Area Training Academy which includes the expenses for North Metro Fire trainees to attend the Academy and the Training Expenses for billable services, which includes expenses for trainees of other fire departments. She offered to share the expense breakdown that is provided to the other participating fire departments. Director Long noted that the Training Center is booked and being used quite a bit. During the Academy, it's difficult to schedule North Metro Fire training.

Chief Bybee reviewed the Transportation budget, which shows a 7% decrease even with a substantial increase to fuel costs. The current Fleet Manager places a greater emphasis on preventative maintenance and accounting controls. Fuel expenses are increasing \$24,000 due to rising costs at the pump and based on miles driven. Director Murphy noted that tire costs have decreased. Director Miller asked if the District has a fuel tank. CFO Willis replied that the District uses fuel credit cards that may be used at any gas station. Director Murphy asked if the District still uses the fuel tanks at Northglenn maintenance. CFO Willis replied that they do use these, although not as much as in the past. Expenses for billable services has been reduced due to the reduction in business from the outside.

Director Billera wondered if there is a way to identify in each response zone certain fuel vendors to get a volume discount. CFO Willis noted that the convenience factor to reduce out of service time has been the primary goal. She offered to look into the issue of fuel discounts.

Chief Anderson discussed the Information Technology Division Budget. He noted a mistake from 2018 – the annual maintenance cost for the budget software was omitted from the budget. This expense has been included in the 2019 budget and doing so looks like a budget increase, but it is not. He notified the Board that he would like to bring in a consultant to conduct a risk assessment related to data security and infrastructure. Director Miller asked about the lifespan of District computers. Chief Anderson replied that the lifespan is about five years. Chief Ramos noted that the District used a consultant in 2018. The consultant did some external testing of the District's

IT infrastructure. Data security is important due to the type of data the District collects, including HIPAA protected information and credit card information. Small governments can be a primary target due to the lack of resources to protect data. Director Billera asked if the consultant found any vulnerabilities. Chief Ramos responded that the consultant recommended more in-depth testing, and noted that Jim Fisher, Director of IT, is working with a regional cyber security task force. Director Long was encouraged to hear this. This peer group supports each other. Director Billera thinks it's great to educate at the user level. President Abboud asked about the expertise and sufficient staffing in the IT department. Chief Anderson replied that IT staff spend a lot of time on phone support for all of the District's computers and networking. He is concerned about the future and managing the entirety of the District's IT needs. President Abboud stated that he is also concerned. Chief Anderson replied that current staff spend too much time on emergencies and not enough time on strategic thinking for the future. Chief Ramos added that the consultant recognized that District IT is taxed at the current level. Chief Ramos has been exploring sharing components of the IT with other special districts. He noted that there may be a decline in revenue in the near future and that the District might not be able to sustain additional personnel in IT. He is concerned and working on this. President Abboud thinks the District should add more money in the budget for an additional IT employee. He sees a shortfall with the challenges mentioned by Chief Anderson. Director Long agreed. Chief Anderson noted that the new Strategic Plan would be developed soon, and he thought it would be a good time to address the IT needs of the District. Chief Ramos replied that he could budget for a position, but not fill it until after the Strategic Plan is developed and the consultant finishes its work. He hoped to complete the new Strategic Plan by the end of the first quarter of 2019.

President Abboud noted that the money for an additional IT employee could be used for additional expertise, although he sees a gap. Director Long does not want to wait and think about it. He asked if there are national resources available to the District. Chief Anderson noted that the District is staying active regionally. There is a risk assessment for the entire region, and cyber security is third on the list of threat assessments.

If the Board concurs, Chief Ramos agreed to add one additional position to IT in the 2019 budget. This additional salary may be used for consulting fees initially as the District better defines its IT needs. Director Murphy asked if Chief Ramos will be continuing to talk to Adams County Fire about shared resources. Chief Ramos replied that he will continue to look at doing things more cost effectively. Director Billera suggested looking into outsourcing the expertise. Director Miller doesn't disagree with any of the comments by the other members of the Board, but noted that if staff believed there are IT issues that are urgent, staff would have put money in the 2019 budget to address the issues. His judgment is that he trusts the Chief's opinion. Chief Ramos replied that he planned to add an additional employee in IT employee in 2020. Chief Ramos stated that he would add additional IT expenditures of approximately one full time employee for eight months, and the funds will be used for consulting fees or a new employee. Director Long wants the District to be a leader in this area.

The Board took a brief recess to eat dinner.

CFO Willis reviewed the Capital Improvements Fund budget for 2019. She reviewed revenue including interest income and grant revenue. The interfund transfer from the General Fund is

budgeted at \$4,760,000 for 2019. In the 10-year plan, as personnel costs increase, the amount transferred to the Capital Fund will decline. The interfund transfer is the leftover amount after satisfying the General Fund Budget and board-directed reserve. President Abboud asked if other districts operate this same way. CFO Willis replied that some run these expenses through the General Fund, but most have a separate Capital Fund. North Metro Fire has the philosophy of using the general mill levy for capital expenses. Other districts may issue bonds to pay for larger capital items. President Abboud asked about surplus funds being transferred to the Capital Fund instead of building up reserves. CFO Willis replied that the District keeps 30% in reserves and transfers the remainder to the Capital Fund. President Abboud wondered how this practice appears to the community and whether it could give the impression the District is trying to mislead the public. Chief Ramos noted that when the 10-year plan was drafted, the District knew there would be big expenditures in capital in early years. He doesn't think, considering current cash flow requirements, the District is overfunding the Capital Fund. He plans to decrease transfers to the Capital Fund in the future. Chief Ramos added that if the Board approves all planned expenditures in the Capital Improvements Budget, the Capital Fund balance will decline in 2019. For the 2020 budget, President Abboud would like to reconsider the amount of the interfund transfer based upon the new Strategic Plan. He noted that it is important to be as transparent as possible.

Chief Ramos reviewed expenditures in the Capital Fund. He stated that the Board could decide if it wants to fund a major remodel to Station 62 and 61. If the Board approves the budget with expenses for these two projects, the Board could still decide to not move forward with the projects. The Board would be consulted on the projects in advance of committing to the expense, and it will have the opportunity to provide input and direction, similar to the process for the remodel of Station 63. These construction projects will only move forward with Board approval at the time even if they are included in the 2019 budget. The budgeted expense is a placeholder to consider the project in 2019. Most of the other items in the budget are considered to be authorization to spend the money in 2019.

Director Miller asked how many air packs the District intends to purchase. Chief Bybee replied that the District would purchase 70 air packs plus three cylinders per pack. Director Murphy asked if the air packs are used by multiple firefighters. Chief Ramos replied that the air packs are shared but each firefighter has a custom-fit facemask. Director Murphy asked if all air packs will be replaced at the same time. Chief Bybee clarified that it is not feasible to mix and match air packs, so the District will be making the purchase in early 2019 to replace all air packs.

Chief Ramos noted that the Opticom expense for 2019 is carried forward as the previously budgeted amount was not spent in 2018, and it should be budgeted in 2019. The District would replace the 31 radios installed in the trucks that are beyond serviceable life. The District has applied for an AFG grant for the replacement of these radios. North Metro Fire Lieutenant Dennis Eulberg serves on the grant review committee, as a representative of the IAFF. Lt. Eulberg helps identify available grants that are likely to be approved if the District applies.

For Station 61, the District will consider tearing down and replacing the station in 2020. For 2019, the District has budgeted architect and land acquisition costs. Chief Ramos has discussed a possible long-term lease with the City of Broomfield to use some of the park land to the east side of the station. The proposed lease would allow the District to expand the footprint of the new

station. He also said he has discussed temporary use of more of the park to facilitate use of the current station during construction. The request was not supported. The City is only willing to give the District the land needed for the new station. Director Miller noted that the plan is to scrape and rebuild Station 61. Chief Ramos thinks it will take next year to design a building, get it through the City, acquire the land, and develop a plan to go out for bid. He would like to go out for bid in the last quarter of 2019 for construction to begin in March 2020. The City has begun its research on the feasibility of dedicating the land to the District. Most construction costs for the new station will be incurred in 2020, but the initial expense will be incurred in 2019. Director Long asked if the District had received a contract from the architects. Chief Anderson replied that he budgeted a flat 6-8% of the overall cost based on bids. The tear down and rebuild cost is estimated at \$4.5 million for a 12,000 square foot station. There will be further discussion of the size of the station as the project progresses. The Board will be asked to provide input and direction at that time.

The District budgeted for bunker gear storage at five stations. The storage areas will have negative air pressure for cancer prevention.

There are architect and construction fees in the budget for the remodel of Station 62. Overall costs could approach \$2.1 million. Chief Ramos had received a bid from Golden Triangle Construction for this project. Golden Triangle builds many fire stations around the metro area. Golden Triangle is good at estimating fire station projects. Chief Ramos suggested hosting a Board meeting at Station 62 to show the Board the scope of the project and the anticipated costs. Chief Anderson observed that the Board could view the completed work on the exterior at the same time. President Abboud suggested scheduling a Study Session in January at 4:00 p.m.

Chief Ramos discussed a 100 gallon hot water heater for Station 64. He discussed new LED lighting at Stations 62, 65 and 67. He discussed the Bobcat to be purchased for the Training Center. This was approved but not bought in 2018, and the price was increased for 2019. The District has budgeted \$40,000 to equip the two new engines with generators, hose and other equipment. The engines are expected to be received in February. The District will replace the Station 62 quint (ladder truck) in 2019. The truck is 12 years old, and the life expectancy is 10 years. Director Billera asked what the lead time is for delivery. Chief Ramos replied that it would take nine or 10 months to receive the quint (ladder truck). Chief Ramos discussed the budget item for medic units. The box on the medic unit will last twice as long as the engine. They have started repowering the engine after about five years and mileage. This new power train costs \$30,000 per medic unit. The expense will extend the life of the medic unit. Large IT licensing fees are paid through the Capital Budget. Image Trend Records Management software is a carryover item from 2017. Chief Ramos discussed the CAD-to-CAD software for 2018, which is a reduction due to success in grant awards. The District's total contribution will be around \$150,000. The District has budgeted to replace the phone system in 2019 at a cost of \$200,000. The current system is no longer supported by the manufacturer.

The estimated ending Capital Fund balance will be \$6.6 million. President Abboud commented that construction costs in 2020 would deplete this fund to an acceptable level. Chief Ramos will know more once the effects of Gallagher are made known, and the revenue projections are clear. He will know where the Residential Assessment Rate will be set in May 2019. Director Miller commented that he had read that the Governor agreed to push this question to the Supreme Court.



Director Long asked if the District is anticipating a hit to revenue next year. CFO Willis said that she will have that information in May 2019 for 2020 property tax revenue. The most recent projection for the Residential Assessment Rate is as low as 6.1%. The Counties will share their reassessment property values in August 2019, which will provide a better picture of the impact on the District.

President Abboud asked what happened to local special districts who put a question on the ballot to raise their mill levy or de-Gallagherize. South Adams County and Mountain View Fire won their mill levy increase questions. Brighton Fire and Frederick Firestone lost their mill levy increase questions. Arvada Fire and West Metro Fire passed a question to set the residential assessment rate at 7%.

Director Long recommended changing the footnote on page 51, CIF-C “excess funds not needed for reserves”. CFO Willis noted that the footnotes are for Board information only. The documents submitted to the State do not contain the footnotes.

Director Murphy reminded the Board that the December meeting would take place on Wednesday, December 12.

**D. Recess/Adjournment**

A MOTION TO ADJOURN THE MEETING WAS MADE BY DIRECTOR MILLER AND SECONDED BY DIRECTOR MURPHY. THE MOTION PASSED UNANIMOUSLY. THE MEETING ADJOURNED AT 7:09 P.M.

  
John Abboud, President

  
Jenni Murphy, Secretary