

**AGENDA FOR THE
ENGLEWOOD CITY COUNCIL
SPECIAL STUDY SESSION
WEDNESDAY, JANUARY 14, 2015
COMMUNITY ROOM
6:30 P.M.**

I. Fire Department Discussion

City Manager Eric Keck will present options and review alternatives for the future of the Englewood Fire Department, including an analysis of services and associated costs.



Memorandum:

To: Honorable Mayor and Members of the City Council
From: Eric A. Keck, City Manager
Date: 9 January 2015
Subject: Englewood Fire/Rescue Alternative Analysis

The City of Englewood has reached a critical crossroads in financing and providing the essential functions of our community. The Englewood Fire/Rescue Department has become the most central issue of my short tenure here. It is my observation and assessment that this community will not be able to move forward in an orderly and sustainable fashion with any of its functions until a decision can be made on this matter. The Fire/Rescue Department's current situation is really a microcosm of systemic issues with the community's aging infrastructure. The City must establish plans for the repair and replacement of all of its infrastructure that will include a thoughtful analysis of the means by which to finance these capital projects. The Fire/Rescue Department is the first step toward such a goal. This memorandum will provide a synopsis of the Fire Service options as well as a recommendation on moving forward.

My research, analysis and results were not intended to offend or impugn the character, professional competency, or question the decision making of anyone within the City of Englewood. However, the City of Englewood is facing a very serious issue with the Fire/Rescue Department that has emanated from neglecting the capital and personnel needs of the department that will now require a significant investment of time, resources, and money from the community in order to repair the department and ensure that it will be viable in the future, if the City is to continue to provide the function. As an alternative, the City could look to a contractual relationship with one of two entities that will still provide competent, professional, and accountable fire and rescue services.

The State of the Fire Service Today:

The Englewood Fire/Rescue Department is comprised of roughly 60 highly motivated, dedicated and committed staff that provide 24-hour emergency medical and fire protection throughout our community. We currently have three shifts that cover the three fire stations with a minimum staffing level of 14 firefighters/EMTs per shift including at least two certified firefighters/paramedics. The Department has an engine/pumper and an ambulance at the Jefferson Station; a rescue engine at the Tejon Station; and an Engine/Squirt (65' aerial ladder) and an ambulance at the Acoma Station. The City of

Englewood also has a hazardous material emergency response HAMER unit assigned to the Tejon Station.

Both an in-house and private architectural firm physical plant study determined severe deficiencies at the three stations and has prompted the recommendation to either refurbish or replace these stations. Furthermore, the City owns an engine/pumper and squirt apparatus from American LaFrance. Unfortunately, this company is no longer in business and we are now experiencing extreme difficulty in obtaining proprietary parts and replacement items for these units which has served to accelerate our need to replace this equipment. The City is in need of acquiring a 95 foot aerial platform in order to be prepared for a structure fire in one of our many newer higher density mid rise apartment facilities. In the event of such a fire today, we would have to rely upon automatic aid from either the City of Littleton or the South Metro Fire Rescue Authority if not both departments to adequately manage this type of fire. The costs of this equipment will be outlined later on within this document.

At one point in time in the City's history, the Fire/Rescue Department had funding, training and support for robust specialty teams such as wildland fire, Hazmat, and technical rescue. While these functions can be performed today by competent individuals from within the department, neither appropriate funding or training is going toward these functions. This ultimately places our community in a situation where we must rely on outside assistance to properly and safely manage events should they transpire within the community. The City of Englewood Fire/Rescue Department is well revered for being competent at EMS and fire suppression but we cannot be regarded as a resource rich department able to respond to any cataclysmic event.

We have some of the most professional, dedicated, passionate and committed firefighters, paramedics, and support personnel in the business. However, they have grown frustrated, anxious, and in some instances angry with the direction that the Department has taken over the last few years. Employee morale is not in a position where one would like to see it. This is understandable given the uncertainty that has been experienced over the past eighteen months of discussion and study.

My concern now is that if a direction cannot be determined through the course of our efforts on the 14th, or shortly thereafter, that we may be exposed to the potential of losing many of our personnel to other departments should the opportunity arise for a lateral hiring process. As such, I implore the City Council to take the information from the study session on the 14th and schedule a business meeting decision as quickly as practicable. A thoughtful review of the alternatives of the City administration and Council must be done to provide the issue with the time and dignity that it deserves.

Englewood Fire/Rescue Alternatives:

There are essentially three alternatives for the provision of fire and rescue services within the City of Englewood that are practical at this stage. The first alternative would be to maintain the Englewood Fire/Rescue Department but doing so with adequate funding and

resources. The other viable alternatives relate to contracting either with either the City of Denver or the South Metro Fire Rescue Authority.

Maintaining the Englewood Fire/Rescue Department can be done but will come at a cost of an additional \$18,611,080. This does not include the cost of also addressing capital and personnel needs of the Police Department that would add an additional \$15,350,505. The total cost increase for addressing the City of Englewood’s Fire/Rescue Department including the budgeted service cost would be \$27,750,914. In total, the City would need to seek approximately \$34 million to service both the Police and Fire Departments.

The costs for fire includes the following items:

- The relocation and replacement of the Jefferson and Acoma Stations in accordance with the Metcom fire location study;
- The replacement of the Tejon Station;
- Acquisition of a 95’ ladder truck;
- Replacement of two pumper/engines;
- Replacement of two medic units;
- Replacement of the Fire Marshal and Assistant Fire Marshal vehicles;
- Acquisition of a vehicle for the Training Chief;
- Replacement of the Department’s radio system per FCC guidelines;
- Replacement of the fire administration offices;
- Upgrading and modifying the fire training center to be able to accommodate live burn training;
- Replacing the fire alerting system at each station;
- Acquiring miscellaneous equipment such as stair chairs, extrication equipment, gas powered fans, air bags, CBRNE detection system and replacement hose;
- Addition of 3 additional firefighter IV positions;
- Addition of two fire inspectors.

The funding for all of these capital equipment, facility, and personnel would be sought through a general obligation bond in November of 2015. It is important to keep in mind that any ballot issue will need an ordinance to be submitted to the County by 20 July 2015. The following table represents a rough approximation of taxes if a bond were supported by the public. Bond issuance costs were not included in the figures below and as such tax liability would increase the figures shown.

Valuation	Residential Home	Commercial Property
\$250,000	\$68.65	
\$300,000	\$82.45	\$329.80
\$350,000	\$96.15	
\$400,000	\$109.90	\$439.60
\$450,000	\$123.60	
\$500,000		\$500.40
\$1,000,000		\$1,000.80

Contracting with the City of Denver through an intergovernmental agreement would be at a cost of \$4.75 million per year compared to the current Fire/Rescue budget of approximately \$9 million. The City of Denver has proposed a single contract with Englewood wherein they would provide fire service and then subcontract with Denver Health for paramedic service. The City would have coverage through the existing Jefferson and Acoma stations which, with support from other Denver stations, would provide for acceptable response times. Denver Fire would not require the immediate replacement of these stations; however, the City would propose to take the contract savings and make improvements to the stations as it pertains to the health of the employees and the functionality of the buildings. Denver Fire would take over the ownership and responsibility for the Englewood Fire/Rescue rolling stock but for the medic units. The medic units could be sold and the proceeds used to reduce the contract cost for the initial period.

Denver Health has studied our medical call statistics and determined that one full time ambulance would be needed to cover the community. This medic unit would be placed in one of our stations. Other resources would then move up as needed to cover the community as call volume would dictate.

Denver would absorb all line personnel and has pledged to address total compensation equivalency for each individual situation. The Denver Fire Department is on the FPPA retirement plan as well which would allow for a seamless transition. The positions of Battalion Chief and above could also be addressed through an agreement between the cities of Englewood and Denver. I would advocate that some form of salary equivalency or severance be provided to the incumbents of these positions. Should the City Council desire to contract with Denver Fire, an updated proposal would need to be negotiated. In doing so, the City would most likely garner further savings with maintaining the Fire Marshal function with the City of Englewood. The total cost with the Denver Fire Department would be \$6,189,263. This figure includes the base contract cost, the maintenance of the Fire Marshal function, the addition of the two fire inspectors and the capital cost of improving the stations and acquiring new vehicles for the Fire Marshal and inspection function.

Contracting with the South Metro Fire Rescue Authority would also require an intergovernmental agreement at a base cost of \$6,496,146. This does not include the cost of staffing the Tejon Station which would now be required in order to provide coverage to the Northwestern portion of the City of Englewood within an acceptable response time. The Metcom study clearly indicated the need for the Tejon Station under a contract with South Metro Fire Rescue Authority. There would also be a one time consolidation expense of \$504,810. The positions of Executive Assistant, Deputy Fire Chief, Fire Chief and driver/operator would require an excess staffing cost of \$457,785 per year. This annual cost would cover the compensation equivalency between Englewood Fire/Rescue and SMFRA for a period of three years. The one major difference with South Metro is that they are not part of the FPPA retirement program which may cause issues for our employees who

currently are within the defined benefit program of the FPPA. South Metro Fire Rescue has a defined contribution money purchase program. The SMFRA proposes to have the City of Englewood dispose of all of its rolling stock. The City could maintain the proceeds of this surplus and then utilize this to offset the contractual costs for the initial period. SMFRA has also indicated that all three of Englewood’s fire stations would need to be rebuilt to meet their specifications at an estimated cost of \$12,133,500. The total cost for contracting with the South Metro Fire Rescue Authority would be \$20,262,051. This includes the base contract cost, the excess personnel cost, the one-time consolidation cost, and the replacement of the three fire stations. Addressing the Englewood Police Department needs in addition to the SMFRA contract would require \$35,612,556.

As with Denver Fire, should the City Council desire to contract with SMFRA, negotiations for an updated proposal would need to occur. Unfortunately with this option, the costs would go up rather than down to address the staffing of the Tejon Station.

Englewood Fire/Rescue Alternative Synopsis:

Entity	Base Cost	Additional Cost	Capital Cost	Total Cost	Tax Increase
City of Englewood	\$9,139,834	\$378,285	\$18,232,795	\$27,750,914	Yes
Denver Fire	\$4,750,000	\$349,263	\$1,090,000	\$6,189,263	No
South Metro Fire Rescue Authority	\$6,496,146	\$962,595	\$12,803,310	\$20,262,051	Yes

The above chart includes the cost of service, additional service, necessary capital costs and finally whether or not a tax increase would be necessary to cover the expenses. As a reminder, these figures do not include addressing the Police Department and its needs which would add an additional \$15,350,505 for all three options.

Englewood Fire/Rescue Staff Recommendation:

I recognize the history, tradition, and pride that the community has had with the Englewood Fire/Rescue Department. However, at this point in the history of the community, we need to recognize that we have alternatives that will help serve the community well not only with the fire service but also with economic sustainability. As such, I am making the recommendation that the City enter into an agreement with the City of Denver for Fire and Emergency Medical service. As one can see from the aforementioned economic comparison, Denver’s proposal is the most viable financial alternative. The savings derived from a contract with Denver Fire would permit the City to begin addressing some of the other capital needs that have gone unfunded and unaddressed for years. Utilizing the contract savings, the City will be able, through issuance of certificates of participation, to build a new Police Administration building, refurbish the Jefferson and Acoma Stations, as well as allow for the Council to determine where to allocate additional capital funding. Over the next 100

years, the City is facing nearly \$1 billion in capital expenditures for bridges, concrete infrastructure, streets, traffic infrastructure, fleet and building and facilities. This is a staggering amount of money that will only grow more expensive if we do not address means of financing the operations and maintenance of our organization today.

My recommendation for an agreement with Denver Fire is predicated on the following points:

1. Denver Fire is the most efficient and economically viable alternative.
2. One agreement with Denver Fire will provide for the staffing of the Jefferson and Tejon Stations and Denver Fire will subcontract with Denver Health for paramedic service. Englewood will have one full time medic unit from Denver Health stationed in Englewood with other units from Denver Health moved up as necessary to serve our community.
3. Denver Health has agreed to transport all emergency trauma patients to Swedish Hospital and abide by patient request for other facilities such as Porter Hospital when the condition allows.
4. Denver Fire has significant resources that Englewood Fire/Rescue does not have today and will never have due to our size and economic wherewithal. Denver will be manage any emergency that may arise.
5. Denver Fire has an ISO 2 rating which will benefit our property owners should a contract be entered into.
6. Each piece of apparatus would have four person staffing as opposed to three with Englewood Fire/Rescue.
7. A contract with Denver Fire would allow the City to address unmet capital project needs.
8. A contract with Denver Fire would eliminate the immediate need for a property tax increase for public safety.
9. Denver Fire has pledged to work to ensure that all current Englewood Fire/Rescue employees' needs are met with a transfer to their department. The fact that both Englewood Fire/Rescue and Denver Fire are both part of FPPA will help provide comfort to our fire staff and their retirement funds.
10. Denver Fire has proven to be a reliable, economic, and functional alternative for the cities of Glendale and Sheridan. Glendale has been with Denver Fire for over a decade with no complaints or issues. Sheridan is going into their sixth year of a contract agreement with Denver Fire. Sheridan officials have also indicated a high degree of satisfaction with this contract arrangement.
11. Local control would not be lost through an intergovernmental agreement with Denver Fire. The City of Englewood would maintain control through continued responsibility for the Fire Marshal function where permitting and inspections hold a lot of power. Permitting and inspection is where local control truly resides. Any deficiencies on the part of Denver Fire can be enforced through the IGA.
12. The City of Englewood would not be harmed by an agreement with Denver Fire for fire and EMS service. This agreement would offer substantial budgetary savings

(\$3.8 million), allow the City to address other pressing capital needs, not require a tax increase, and insure that our current fire staff is cared for.

Thank you for the opportunity and time to analyze this important matter. Action must be taken on this matter to allow for us to begin to plan for a sustainable and bright future. While this recommendation on my part is a difficult one to make, I do so with no other agenda than to ensure that the City, its citizens, and our employees are cared for in the best possible way.