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## Finance Committee Summary

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Wednesday, February 4, 2009

1:30 p.m.

3<sup>rd</sup> Floor Council Conference Room

**Committee Members Present:** Faatz, Chair; Boigon, Vice-Chair; Brown, Lehmann

**Committee Member Absent:** Hancock

**Other Council Present:** Montero, Robb

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*Agenda:*

- 1) *Emergency Medical Response interim report*
- 2) *Denver Union Station (DUS) – services agreement, \$1.5 million supplemental*
- 3) *2009 budget savings proposals*

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### 1) Emergency Medical Response Interim Report:

#### Committee Discussion

Katherine Archuleta, Mayor's Office/DIA, explained that the Monitoring Working Group has continued its work to evaluate the EMS 911 System. The 911 System is overseen by Denver Health Medical Director, Dr. Chris Colwell, and is comprised of three separate entities – Denver Health Paramedic dispatch, Denver Fire dispatch, and the 911 Denver Police dispatch. The 911 System is a two-tiered emergency medical response – first responder where basic medical care is provided and second responder where advanced life support services are provided. There are 34 Denver Fire Stations that respond to emergencies and Denver Health paramedics respond on a dynamic dispersal system (strategic locations), in addition to mutual aid from other regional jurisdictions.

Dr. Gabow, Denver Health & Hospitals, has implemented a “LEAN Program” which focuses on identifying waste and implementing lean principles that are of value to customers. Using the lean principles and processes (rapid improvement events/RIE) the Working Group collaboratively identified steps to improve the beginning process. Those steps included defining one response time measurement for the entire system with one time keeper for reporting, they agreed to a common set of terms, and they agreed to use “LEAN” to improve the EMS system.

Stephanie Thomas, Denver Health & Hospitals, said the group established a 911 EMS call processing timeline to determine the gaps and to develop solutions (see attached). The Group conducted two “RIE” simulations. The first RIE event was designed to identify where call-taking actions were not meeting National Fire Protection Association (NFPA) standards and

the "LEAN" process led to capturing seconds in the front-end of an initial EMS call. The second RIE action was designed to identify where dispatch times were not meeting NFPA standards. This event helps to get to the "timeliness" issue and assuring that the City is sending the right type of response to the emergency site. The response system operated on a possibility of "17" codes (or the nature of a call) when an emergency call was sent. Since the 2<sup>nd</sup> RIE, the 17 codes have been consolidated into five categories thereby reducing seconds in the dispatching functions, stated Chief Nuanes, Denver Fire Department. Dr. Gabow said the intent of the LEAN process in these analyses is to assure that the right personnel and equipment get to the right place. These two LEAN events lead to a total of 2 minutes and 23 seconds taken off the entire time grid initially identified by the Auditor's Office and which are based on NFPA standards. The Fire Department alone captured an improvement of 56 seconds.

In addition to these studies, the Working Group is also working on the operating agreement with Denver International Airport (DIA) to make recommendations on response issues at the airport. Over the next two months a review of the 2010 services will occur and a new business plan will be developed. More importantly stated Ms. Thomas, as part of Phase I changes an ambulance post will be established at DIA by mid-February 2009. Initially, this will be a two-member paramedic team. The staffing will be overtime and backfill initially then will become full-time positions. These actions should increase response times and enhance transport times. Door 400 at DIA was selected as the post site because of its access and covered area. James Robinson, Paramedic Division, stated that backfilling initially was the most cost effective method.

Councilmember Faatz asked if the analyses included looking at the processes from the patient's point of view and asked how many patients unfortunately died before reaching the hospital and she wanted to know if these statistics are included in the RIE events. Ms. Archuleta said they are looking at the "good cause exemptions" but there is no collective understanding of what those are and what they should be, but they will address those issues by the time they propose the final recommendations. The hospital staff said they would provide the statistics of non-returns to the Councilwoman. Chief Nuanes added there are many reasons (good cause exemptions) why the Fire Dept. and others may not respond timely, but it is necessary to evaluate the raw data to get to the real facts in order to know if the NFPA standards are being met.

Councilwoman Robb asked if policies would change in the department regarding the types of services they provide, for example, responding to people locking keys in their cars and charging for those types of services. Ms. Archuleta said they are assessing all these things. Councilmember Faatz asked if the city has enough strategic coverage throughout the city and if Denver Health employs enough paramedics to assure coverage. Dr. Gabow said there are shortages in health care providers across the nation. Denver Health responded by opening its own paramedic school which recruits for individuals interested in changing careers or people who have been laid-off and re-trains them in this field of work. Hospital staff is also working with this legislature to create reciprocity for licensed paramedics moving to Denver the ability to begin working here immediately. The Councilwoman requested their personnel information regarding paramedic staffing.

Clay Vigoda, Auditor's Office, said the Auditor's Office acknowledges that exemptions are required, but there has to be an on-going process to oversee and measure how well the EMS systems are working. Ms. Archuleta stated that the final report and recommendations will include new performance measures and criteria. Councilmember Faatz will schedule the final recommendations for the March 1, 2009 Finance Committee meeting.

**2) Denver Union Station Project Authority – Services Agreement \$1.5 million supplemental:**

Committee Action

The Committee approved the Denver Union Station Project Authority Services Agreement between the City and County of Denver and the Denver Union Station Project Authority regarding loan and reimbursement commitments for expenses related to the Denver Union Station project. In addition, the Committee approved establishing a Denver Union Station Project Seed Capital program in the General Government Special Revenue Fund and authorized a supplemental in the amount of \$1.5 million from the General Contingency Fund into the General Government Special Revenue Fund and authorized expenditures from that fund to the Denver Union Station Project Authority for operating expenses related to the Denver Union Station project. The loan supplemental must be paid back to the City in 2009 as outlined in the Denver Union Station Project Authority Services Agreement (December 31, 2009).

Committee Discussion

Claude Pumilia, Department of Finance (DOF), said the supplemental money will help to get the DUS project going and that the money must be reimbursed. He added that the DUS project qualifies for the stimulus money now being considered by the federal government. Councilmember Faatz asked what guarantees there were for the supplemental loan to be paid back and at what interest rate. Mr. Pumilia said the project will create jobs and is legally binding and that he couldn't give a guarantee given the current economic climate. Councilmember Montero said that answer was not appropriate and that it was her understanding that this "bridge loan" would be paid back within five months. As a member of the DUSPA, the Councilwoman said that all the partners (DRCOG, RTD, and the City) intends on paying the supplemental money back.

Diane Barrett, Mayor's Office, said that it is the intent of the Denver Union Station Project Authority (DUSPA) to pay back the money. The DUS project has to break ground on May 1, 2009 and RTD has to start the project and the Authority needs the financing to move forward. Councilmember Robb asked if the borrowing from the contingency fund will impact any savings. The policy is to maintain 2% of expenditures, said Ed Scholz, Budget & Management. After this transaction there will be approximately \$16 million in the fund balance. The city ended 2008 with a \$2 million fund balance. Elbra Wedgeworth, Chair of the DUSPA Board, said the board is committed to paying the city back for the bridge loan and they are positive about getting the additional funding needed to proceed forward. Karen Aviles, City Attorney's Office, stated the services agreement contains the language requiring the pay back with interest from DUSPA when they receive financing or by December 31, 2009; whichever occurs first. Mr. Pumilia stated that if not for these entities working together the city

would be paying for the costs or considering other options such as tax increment financing (TIF). Councilmember Faatz said she would rather opt for TIF and that her constituents do not want more of these types of subsidies. She asked when the bond transactions are going into the market. Ms. Barrett said the bonds should be issued in the spring, May most likely. The goal is to pay the supplemental loan with the bond money.

### **3) 2009 budget savings proposals:**

#### Committee Action

The Committee approved transferring the following monies into the General Fund as part of the 2009 budget savings proposals:

- Transfer \$39,273 from the Environmental Health and Safety Special Revenue Fund.
- Transfer \$800,000 from the Electronic Home Detention Special Revenue.

#### Committee Discussion

Ed Scholz, Budget & Management, stated that three of the departmental savings proposals to achieve a \$7 million savings to the 2009 budget required ordinance approval by Council. The transfer of monies from the Environmental Health and Safety Special Revenue Fund and Electronic Home Detention Special Revenue Fund were approved with the commitment that if the projects in these fund accounts needed the money the funding would be transferred back.

Beth Machann, Controller's Office, indicated that the recommendation concerning the suspension of the Downtown Historic District Tax Rebate Program was based on the lack of information whether or not the program is effective. The city created the Downtown Historic District as a method of providing economic incentive for property owners to renovate and keep the buildings active. The program approved by Council in 2000 establishes a rebate program which provides a minimum yearly payment of \$10. Eighty-five percent of checks sent to property owners are for \$500. The issues are that the City does not know if the rebate program is effective and meeting the intent of the legislation, the city receives many phone calls and queries from property owners questioning what the checks are for, and many checks are returned. The checks are sent every spring to qualifying residences. Mr. Scholz noted the 2009 budgeted amount from this program is \$210,000. City staff is recommending a one-year suspension of the program while they partner with Landmark Preservation Commission and Community Planning & Development to evaluate the goals of the program and its effectiveness.

Councilmember Linkhart said he is not comfortable with moving this request forward until there is more discussion on the matter. Councilmember Brown asked how and if the property owners have been notified regarding this proposal. Ms. Machann said they were working on a communication now. Councilmember Faatz said she would reschedule this item to the March 4 meeting to discuss the recommendation further.

The rebates paid in 2008 for the 2007 incentives are as follows:

Rebate Level	# of Checks	Total \$ of Rebate
< \$14,000	2	\$24,658.26
< \$10,000	2	\$12,722.99
< \$ 5,000	9	\$19,510.42
< \$ 2,000	24	\$33,923.42
< \$ 1,000	3	\$ 2,851.20
< \$ 500	56	\$14,393.00
< \$ 100	166	\$ 6,225.74

*Debra Bartleson*  
*Legislative Services*