



NOTICE

SPECIAL BOARD MEETING

SOUTH METRO FIRE RESCUE FIRE PROTECTION DISTRICT

Special Board of Directors' Meeting

scheduled for

September 18, 2023 at 6:00 p.m.

9195 East Mineral Avenue, Centennial, CO

Has been moved to

Station 22, 16758 East Smoky Hill Road, Aurora, CO



SOUTH METRO FIRE RESCUE
Special Board of Directors' Meeting
September 18, 2023

Station 22, 16758 East Smoky Hill Road, Aurora, CO

I. SPECIAL BOARD MEETING – 6:00 P.M. – Community Room

A. MEETING CALL TO ORDER

B. PLEDGE OF ALLEGIANCE

C. ROLL CALL

D. APPROVAL OF THE AGENDA

E. PUBLIC COMMENT

Public Conduct at Meetings. Comments by members of the public shall be made only during the “Public Comment” portion of the meeting or a specified “Public Hearing,” and shall be limited to three minutes per individual and five minutes per group spokesperson unless additional opportunity is given at the Board’s discretion. Each member of the public wishing to speak shall identify themselves by name, address, and agenda item, if any, to be addressed. Disorderly conduct, harassment, or obstruction of or interference with meetings by physical action, verbal utterance, nuisance or any other means are prohibited. Such conduct may result in removal of person(s) responsible for such behavior from the meeting, a request for assistance from law enforcement, and criminal charges filed against such person(s).

F. STATION TOUR

G. DISPATCH CENTER OVERVIEW

1. Back Up Center Tour
2. AC E911 Q&A Award
3. ECC Performance

H. CONSENT AGENDA ITEMS

1. Enterprise Resource Planning (ERP) Software Implementation Proposal

I. POTENTIAL DISCUSSION/ACTION ITEMS

With a two-thirds (2/3) vote of the board members in attendance, the board has the discretion to amend the Agenda to move any Discussion/Potential Action Item to an Action Item.

1. 2024 Budget Update - Miskimins

J. INFORMATION ITEMS

K. EXECUTIVE SESSION (upon motion)

N/A

L. NEXT MEETING(S)

Regular Board of Directors' Meeting to be held on October 2, 2023, 6:00 p.m. at 9195 East Mineral Avenue, Centennial, CO.

M. ADJOURNMENT

BOARD OF DIRECTORS AGENDA ITEM STAFF REPORT



Meeting Date: 9/18/2023

Agenda Item Type: Action Item

Agenda Item: Enterprise Resource Planning (ERP) Implementation Proposal

Submitted By: Dillon Miskimins

Approved: Bob Baker

SUMMARY:

South Metro would benefit from the implementation of an Enterprise Resource Planning (ERP) system. This new ERP would replace outdated and fragmented systems that will greatly enhance businesses processes across the department. Staff has identified Microsoft's Dynamics 365 as the system and RSM as the implementation partner that would provide the most benefit at a reasonable cost. Board is asked to take action based on the overall project cost and the desire to begin implementation in 2023.

BACKGROUND:

SMFR has been using the same core accounting system for decades. Over the last several years, staff has augmented the core accounting system with several additional software to accommodate growing demands and complexity of the department. The unintentional outcome, however, is now a fragmented suite of software, a complicated web of integrations built and/or maintained by our internal IT staff, and data housed within each separate system that is most useful only when manually combined by staff. Staff has identified that the Microsoft Dynamics 365 ERP system would replace a minimum of 6 separate software systems and potentially more in future phases. This will greatly improve the capabilities and quality of the District's business processes. Staff conducted an RFP where several implementation partners that specialize in implementing the Dynamics 365 ERP system responded. Ultimately, staff is recommending to move forward with RSM as an implementation partner.

Timing the start implementation is important. While the majority of the implementation will happen in 2024 – 2025, Staff is asking the Board to consider allowing implementation to start in 2023 to better align with Staff's audit and budget development workload and avoid having to recontract with certain existing software.

FINANCIAL IMPACT:

Implementing an ERP is an investment, though the hard and soft costs substantial. The one time, implementation costs are estimated to be \$900k - \$1.2 million. By reducing the total number of software systems, there would be a decrease in annual licensing costs – saving the District in the long term. The district spends nearly \$340k per year for the 6 software systems that would be replaced by the ERP. Annual costs for the ERP are estimated at \$110k. Said another way, the District will break-even on the one-time implementation costs after 4-6 years.

The cost of implementation will be proposed in the 2024 budget. Staff has identified 2023 budget that could be reallocated to the implementation to allow Staff to start the project prior to the 2024 budget year, should the Board approve. The remaining necessary funding will be included in the 2024 capital fund.

STRATEGIC INITIATIVE:

The implementation of an ERP plays well with many of the District's strategic initiatives. Our IT Bureau has a long-term initiative to reduce the number of software systems that they maintain. Reducing the number of systems has many potential benefits to the organization and consolidating a minimum of 6 systems as part of this implementation certainly supports this initiative. There has also been an initiative over the last several years to change and enhance the District's business processes to meet the added complexities of the District now in the future.

RECOMMENDED ACTION/MOTION:

Staff has listed this agenda item as a Discussion/Potential Action item. If the Board feels they have sufficient information to approve Staff to move forward with the implementation of a new ERP, Staff would recommend to approve. Should the Board want more information, Staff would be happy to bring it back at another meeting.

Recommended Motion: I move to approve Staff's recommendation to implement a new Enterprise Resource Planning software beginning in 2023 with a project budget not to exceed \$1,200,000 and further delegate the execution of any necessary agreements to the Fire Chief or his designees.

ALTERNATIVE OPTIONS:

There are alternatives to Staff's recommendation of implementing Microsoft Dynamics 365:

- 1. Keep Existing Systems:** The District could certainly keep its existing systems in place. Annual licensing costs are higher for the suite of systems than for the new ERP and Staff would continue to be limited in our ability to maintain or enhance business processes. Our core accounting system will likely reach end of life in the next several years, so the need for software replacement will need to be addressed in the future.
- 2. Select a different ERP:** There are many choices of ERPs. The District could choose a different option, which might be less expensive to implement. Staff would need to further evaluate the trade off of cost versus the capabilities of the ERP.
- 3. Defer Implementation:** Implementation could be deferred. The timing is right to implement a new system as contracts and pricing for many of our existing systems are up for renewal. It is possible to renew our existing systems for shorter time periods, but that often comes with greater price increases.

ATTACHMENTS: