

Negotiation Team Subcommittee Report

Items Covered in Presentation

- NORCOM Formation Goals
- Cost Allocation Model
- Operating Costs
 - IT Staff
 - Lease
- Cost Smoothing
- Start-up Costs
 - Technology
 - Asset Transfer
 - Backup Facility
 - Transition Costs

Why Consider a Regional Model for Dispatch?

- Increase efficiency and reduce redundancy
- Better interagency collaboration and interoperability
- Greater decision-making, control and buy-in for all participating agencies
- Higher levels of service
- Potential for cost savings through economies of scale and long term cost avoidance

How does the NORCOM Proposal Meet the Goals?

■ Improve Efficiency/Reduce Redundancy

- Eliminates duplicated overhead associated with multiple centers over time
- One technology system to purchase and maintain
- Single facility vs. multiple

■ Improve Collaboration/Interoperability

- Shared protocols
- Single dispatch allows communication across agencies
- Participation on operating boards fosters communication and collaboration

How Does the NORCOM Proposal Meet the Goals? (con't)

- **Greater Decision-making and Control**
 - All partners have voice and vote
 - Operating boards participate in decision-making
 - Elected official oversight
 - Weighted voting and two pronged test for voting
- **Higher Levels Of Service**
 - Eliminates transfer of fire/EMS calls between dispatch agencies
 - Work towards integrated technology for CAD /mobile / records
 - Real time access to regional information through single records system

How Does the NORCOM Proposal Meet the Goals? (con't)

- Potential for Cost Savings / Cost Avoidance
 - Operating cost projected to be lower than combined costs for existing centers
 - Long-term savings by eliminating duplicated capital expenditures
 - Greater cost savings as more centers consolidate over time, taking advantage of economies of scale

Changes from July 2006 Cost Allocation Models

- June 2007 – Subsequent Steering Committee decision to split cost allocation:
 - Police 50%
 - Fire 50%

Changes from July 2006 Operating Costs

■ IT Staff

- 4 add'l FTEs to support Technology (bringing total projected IT staff to 7)

■ Lease

- Increase by add'l 2,852 sq ft (total sq ft = 16,452)
- Increased from \$26 to \$27 per sq ft cost

July 2006 Report	\$6,918,950
June 2007	<u>7,390,754</u>
Diff	\$471,804

Changes from July 2006 Operating Costs (con't)

■ Lease principles

- Space will accommodate expansion to include additional consolidation of centers
- Term 7 years with renewal option up to 21 years
- Lease rate \$27/sf in 2006 dollars, inflated yearly based on CPI and utility costs
- Rate includes maintenance and operations costs for lease of space
- Building replacement not included in rate
- Autonomous space

Cost Smoothing

- Bellevue Committing Fixed Amount \$5.5M
 - 7 Year smoothing to be consistent with ILA terms
 - To all Founding Principals and Subscribers (except Bellevue)
 - Repayment to NORCOM required for early termination

Year 1 Operating Costs	\$7,390,754
Smoothing by Bellevue	(1,150,000)
Year 1 Operating Costs to Agencies	\$6,240,754

10 yr cost comparison model

Operating Costs - Comparison by Agency

Summary of All Agencies	Net Costs per Current Contract	July 2006 Business Plan	June 2007	Inc/Dec over Current Contract
Bellevue Fire	\$652,398	1,003,721	1,706,717	1,054,319
Bellevue Police	3,203,586	1,369,490	2,149,267	(1,054,319)
Bellevue Total	3,855,984	2,373,211	3,855,984	(0)
Bothell Fire	122,003	264,436	169,078	47,075
Clyde Hill Police	65,000	50,972	54,900	(10,100)
Duvall Fire	32,191	56,744	36,282	4,091
Eastside Fire and Rescue	339,234	532,829	340,685	1,451
Fall City Fire	24,383	42,589	27,231	2,848
Kirkland Fire	215,888	422,431	270,098	54,210
Kirkland Police	905,553	949,265	1,022,416	116,863
Kirkland Total	1,121,441	1,371,695	1,292,514	171,073
Medina Police	56,870	57,352	61,772	4,902
Mercer Island Fire	105,326	135,185	86,436	(18,890)
Mercer Island Police	215,366	377,901	407,022	191,656
Mercer Island Total	320,692	513,086	493,458	172,766
Northshore Fire	99,927	204,787	130,938	31,011
Redmond Fire	350,899	597,300	381,907	31,008
Shoreline Fire District	243,587	529,429	338,511	94,924
Skykomish Fire	8,221	19,100	12,212	3,991
Snoqualmie Fire	16,702	43,455	27,784	11,082
Snoqualmie Pass Fire	6,749	14,773	9,446	2,697
Woodinville FLSD	126,966	247,191	158,051	31,085
Total	\$6,790,849	\$6,918,950	\$7,390,754	\$599,905

Start-up Costs

- July 2006 Report Assumed - \$9.1M
 - Technology
 - Asset Transfer
 - Backup Facility
 - Transition Costs
- June 2007 Estimates - \$8.6 M
 - Technology - \$5.1M
 - Asset Transfer - \$1.4M
 - Backup Facility – \$0.5M
 - Transition Costs - \$1.6M

Start-up Costs

Technology - \$5.1M

- Mid-range planning estimate recommended
- Seeking grants to reduce cost
 - \$750,000 State Grant received
 - \$2.7 million COPS Grant submitted
 - \$1.0 million UASI Grant submitted
 - \$0.4 million Federal Appropriation
 - Potential option to finance over 7 years

Technology Start-up Costs – Comparison by Agency

Summary of All Agencies	Technology less \$750k Grant	Technology less \$4.85m Grant
Bellevue Fire	526,490	26,334
Bellevue Police	1,053,580	52,698
Bellevue Total	1,580,070	79,032
Bothell Fire	138,707	6,938
Clyde Hill Police	39,214	1,961
Duvall Fire	29,765	1,489
Eastside Fire and Rescue	279,489	13,979
Fall City Fire	22,340	1,117
Kirkland Fire	221,581	11,083
Kirkland Police	730,291	36,527
Kirkland Total	951,872	47,610
Medina Police	44,122	2,207
Mercer Island Fire	70,910	3,547
Mercer Island Police	290,728	14,542
Mercer Island Total	361,638	18,088
Northshore Fire	107,419	5,373
Redmond Fire	313,307	15,671
Shoreline Fire District	277,706	13,890
Skykomish Fire	10,019	501
Snoqualmie Fire	22,794	1,140
Snoqualmie Pass Fire	7,749	388
Woodinville FLSD	129,661	6,485
	\$4,315,870	\$215,870

Start-up Costs

Asset Transfer - \$1.4M

- Useful assets will be purchased by NORCOM at depreciated value (Kirkland and Bellevue)
- Consultant review to recommend which assets NORCOM should purchase
- Estimated at \$1.5 million in 2009 – does not include E-911 or EPSCA assets
- Original cost of assets to be transferred were borne by Bellevue and Kirkland and were not covered by costs of dispatch service agreements
- Propose to allow up-front payment or pay over time (7 years)

Start-up Costs

Backup Facility - \$0.5M

- Options for NORCOM to pursue range from stand alone center to back up agreement with currently operating center
- Committee's preferred option to pursue is utilizing a currently operating center for back up
- Costs estimate at high end of range is \$500k (for stand alone center)
- Costs may be considerably less under a back-up agreement with a partner center

Transition Cost

■ Transition Cost Estimates

– 2007

Pre-ILA (\$170k)

- Interlocal Agreement - \$22k
- Technology Study - \$105k
- Contingency - \$43k

Post-ILA (\$210k)

- Labor Negotiation - \$50k
- Executive Director search - \$20k
- Executive Director - \$40k (last Qtr of 2007)
- Technology Study - \$100k

Transition Cost – cont.

– 2008

- Executive Director - \$160k
- Capital Reserves - \$250k
- Facility Modifications - \$100k
- Project Manager - \$100k
- Technology Staff - \$200k (6 months)
 - System Administrators (3.0 FTEs)
 - Backup System Administrator (1.0 FTE)

– 2009

- Executive Director - \$80k (6 months)
- Project Manager - \$50K (6 months)
- Technology Staff - \$200k (6 months)
 - System Administrators (3.0 FTEs)
 - Backup System Administrator (1.0 FTE)

Transition Cost – Comparison by Agency

Summary of All Agencies	2007 Transition Estimates	2008 Transition Estimates	2009 Transition Estimates	Total
Bellevue Fire	46,314	98,811	40,256	185,382
Bellevue Police	92,681	197,735	80,559	370,975
Bellevue Total	138,995	296,547	120,815	556,357
Bothell Fire	12,202	26,032	10,606	48,840
Clyde Hill Police	3,450	7,360	2,998	13,808
Duvall Fire	2,618	5,586	2,276	10,480
Eastside Fire and Rescue	24,586	52,454	21,370	98,411
Fall City Fire	1,965	4,193	1,708	7,866
Kirkland Fire	19,492	41,586	16,943	78,021
Kirkland Police	64,242	137,061	55,839	257,142
Kirkland Total	83,734	178,647	72,782	335,163
Medina Police	3,881	8,281	3,374	15,536
Mercer Island Fire	6,238	13,308	5,422	24,968
Mercer Island Police	25,575	54,564	22,230	102,368
Mercer Island Total	31,812	67,872	27,652	127,336
Northshore Fire	9,449	20,160	8,213	37,823
Redmond Fire	27,561	58,801	23,956	110,318
Shoreline Fire District	24,429	52,120	21,234	97,783
Skykomish Fire	881	1,880	766	3,528
Snoqualmie Fire	2,005	4,278	1,743	8,026
Snoqualmie Pass Fire	682	1,454	593	2,729
Woodinville FLSD	11,406	24,335	9,914	45,655
	\$379,656	\$810,000	\$330,000	\$1,519,656

Capital Cost

Summary of All Agencies	Technology less \$750k Grant	Asset Transfer	Backup Facility	Total
Bellevue Fire	526,490	\$173,753	\$60,995	761,238
Bellevue Police	1,053,580	347,704	122,059	1,523,343
Bellevue Total	1,580,070	521,456	183,054	2,284,580
Bothell Fire	138,707	45,776	16,069	200,553
Clyde Hill Police	39,214	12,941	4,543	56,699
Duvall Fire	29,765	9,823	3,448	43,036
Eastside Fire and Rescue	279,489	92,237	32,379	404,106
Fall City Fire	22,340	7,373	2,588	32,300
Kirkland Fire	221,581	73,126	25,670	320,378
Kirkland Police	730,291	241,011	84,605	1,055,908
Kirkland Total	951,872	314,138	110,276	1,376,286
Medina Police	44,122	14,561	5,112	63,795
Mercer Island Fire	70,910	23,402	8,215	102,527
Mercer Island Police	290,728	95,946	33,681	420,355
Mercer Island Total	361,638	119,348	41,896	522,882
Northshore Fire	107,419	35,450	12,445	155,313
Redmond Fire	313,307	103,398	36,297	453,002
Shoreline Fire District	277,706	91,649	32,173	401,527
Skykomish Fire	10,019	3,306	1,161	14,486
Snoqualmie Fire	22,794	7,522	2,641	32,957
Snoqualmie Pass Fire	7,749	2,557	898	11,204
Woodinville FLSD	129,661	42,791	15,021	187,473
	\$4,315,870	\$1,424,328	\$500,000	\$6,240,198

Questions & Answers