

SNOCOM & SNOPAC JOINT BOARD of DIRECTORS MEETING

January 4, 2017 - Fire District 1

SNOCOM Board Members & Management in Attendance	Jerry Smith	Mountlake Terrace	Chris Alexander	Mukilteo Fire
	Bob Colinas	Brier	Kent Saltonstall	Town of Woodway
	George Hurst	Lynnwood	Tom Howard	Town of Woodway
	Ian Cotton	Lynnwood	Pam Pruitt	Mill Creek
	Bryan Stanifer	Lynnwood Police	Greg Elwin	Mill Creek Police
	Al Compaan	Edmonds Police	Brad Reading	Fire District 1
	Don Anderson	Edmonds Police	Terry Peterson	SNOCOM
	Seاون Richards	Mountlake Terrace	Marlin Herolaga	SNOCOM
	Scott Hugill	Mountlake Terrace	Karen McKay	SNOCOM
Greg Wilson	Mountlake Terrace PD	Andie Hanson	SNOCOM	
SNOPAC Board Members & Management in Attendance	Steve Guptill	Monroe Fire	Jonathan Ventura	Arlington Police
	Rick Smith	Marysville Police	John Flood	Snohomish Police
	Ty Trenary	SCSO	Roy Waugh	Fire District 7
	Susy Johnson	SCSO	Mark Murphy	Member at Large
	Murray Gordon	Everett Fire	Kurt Mills	SNOPAC
	Erick Hicks	Everett Fire	Steve Dittoe	SNOPAC
	Susan Neely	Snohomish County	Steve Lawlor	SNOPAC
	Dan Templeman	Everett Police	Brad Cattle	SNOPAC Attorney
	Jim Lever	Everett Police		
Others in Attendance	Karen Reed	Bill Anderson	Nicola Smith	Brenda Froland
	Ted Hikel	Ralph Krusey	Tom Davis	Sharon Brendle
	Pete Caw	Jon Wiswell	Paul Taylor	

AGENDA ITEMS	REPORTS & COMMENTS	ACTION OR FOLLOW-UP
Call to Order	The meeting was called to order at 8:30 by Jerry Smith, President of the SNOCOM Board of Directors. Everyone in attendance stated their name for the record.	
Welcome and Introductions	<p>Woodway councilmember, Dr. Saltonstall, read a letter from Woodway's mayor, Carla Nichols, which expressed her perspective in the work of the task force. She specified three issues of concern: 1) the structure and timing of the decision-making process; 2) the need to prioritize "function" and programmatic improvements; and 3) the weakened role assigned to contract agencies. A copy of Mayor Nichols' letter is included and made a part of these minutes.</p> <p>SNOPAC Chair Steve Guptill asked the JTF Facilitator Ms. Reed to address some of the issues brought up in Mayor Nichols' letter. She described the process that the JTF has been using, including the work plan that was established last August and approved by both boards. That plan called for an iterative process, where the group regularly checked in with both boards in order to gain input as they develop work products. She reiterated that no one is making any decisions on the</p>	

AGENDA ITEMS	REPORTS & COMMENTS	ACTION OR FOLLOW-UP
	project until both boards have all the information they need. She added that no governance board structure will be decided upon today.	
Agenda presentation	<p>Ms. Reed briefly discussed the agenda for today's meeting including a few action items as well as information. The group will be asking for support on the following:</p> <ul style="list-style-type: none"> • The approach that Directors Mills and Peterson are taking to model the baseline. The directors will be explaining their approach later in the meeting. • A set of governance principles including some additional ones that they will be looking for approval on. • A proposed assessment formula. The JTF would like feedback on some principles presented. • A discussion around the 3 difference approaches to building a consolidated agency board. No decision is expected on this today, but these are meant to be subjects for discussion at individual board meetings following today. The JTF is requesting feedback on this issue. • Moving forward. The group is asking for approval to move forward with the work they've been tasked to do. 	
Project update and schedule moving forward	<p>Ms. Reed directed the boards to a 2 page recap of the status of the 5 major items that the JTF was tasked to work through:</p> <ul style="list-style-type: none"> • Service levels - the JTF thinks that consolidation should allow the same, or an improvement to, the level of service. They are planning on a model that continues all the existing services under a consolidated scenario, if that is how the group chooses to proceed. • Resolving issue of call-transfers – the group believes that the current issue is not acceptable, and believes that there are a number of ways to reduce the amount of call transfers. Several of the options will be analyzed before deciding on how to proceed. • Redundancy and survivability – this issue was discussed in October. Because of the size of SNOCOM, it has the ability to be backed up by SNOPAC. The same situation isn't true for SNOPAC. She mentioned that there is an opportunity to improve the situation for both agencies, but these have significant cost implications attached. These improvements will be priced out over the next few months. • Cost – Both directors have looked into the cost of a consolidated agency, including staffing and economies of scale. The JTF feels there is an opportunity for reducing operating costs by reducing the number of staff through attrition and not by lay-offs. • Governance – Both boards have approved a set of 15 governance principles. They will be discussed today. Ms. Reed explained that there is still a large range of potential board 	

AGENDA ITEMS	REPORTS & COMMENTS	ACTION OR FOLLOW-UP
	<p>structures available to choose from. The JTF is trying to establish a smaller set of options that would work for the group. Today's meeting aims to narrow down the list to more workable possibilities without making a final decision on governance.</p> <p>Ms. Reed spoke about the current status and proposed the next steps in the work plan. She explained the steps that have been completed and those that still need action taken before moving on.</p> <p>Phase 1 still includes the "Components of Baseline Scenario." This requires action to approve moving forward. Phase 2 should be completed at the end of this meeting if the combined boards are accepting of the work products being presented.</p> <p>Mayor Colinas asked about SNOPAC's efforts and timeline in their search for a future facility, in the event that consolidation occurs. Director Mills explained that SNOPAC recognized that their facility may not be suitable moving forward and will be launching an RFP to determine what a new facility might look like. It is their goal that the RFP will provide some outside expertise that will provide guidelines on costs, feasibility and design. The director went on to explain that no decision have been made. He gave an example that if a new building was determined to be \$50-\$60 million, the decision would most likely be to stay at their present facility. If, however, it was determined that the cost would be closer to \$5-\$10 million, they may decide to move forward with building a plan. He went on to explain that the SNOPAC facility can accommodate a consolidated agency for the foreseeable future, most likely 5-10 years. He and Director Peterson have discussed removing the idea of a new facility from the consolidation process. They know that they may need a new facility in the future, and will keep everyone informed as to what they have learned coming out of the RFP. Everett Police Chief Dan Templeman agreed with the suggestion of removing the facility component from the rest of the consolidation process.</p>	
<p>Components of baseline scenario and approach to costing out options.</p>	<p>Directors Mills and Peterson presented a PowerPoint on costing out what it would take for both agencies to operate on a stand-alone basis over the next 10 years. They are asking for the boards to consider the assumptions the directors made with the components and the structure of the baseline scenario, and if they are comfortable with their approach, the directors can model out the other options. No decisions are requested today other than a consensus to proceed. The model was built using the 2016 budgets of the two boards, and did not include any capital expenditures. They also didn't take into account any potential changes in agency activity, such as an increase in law enforcement practices.</p> <p>Director Peterson explained the data that was collected, such as those key areas that drive the dispatch agencies: population count, assessed values, numbers of calls for service, population projections, etc. They also had to develop some general assumptions, including applying a standardized financial and operational model of the two centers. He</p>	

AGENDA ITEMS	REPORTS & COMMENTS	ACTION OR FOLLOW-UP
	<p>then stated that they developed a 10 year pro forma budget for the status quo option (what will it take for each of the agencies to operate for the next 10 years without any consolidation). He explained that if the boards support the work product presented, the directors will then apply the logic to the other 3 models they will be looking at.</p> <p>The directors went on to explain the approach they used to reach their summaries. To establish a baseline, these assumptions were taken into consideration:</p> <ul style="list-style-type: none"> • No annexations • No 911 routing changes or formula changes • No boundary changes • For calls for service, per capita, they looked at a 5 year history for each agency to forecast on. • Equal service and no reduction in service levels. • Application of recognized industry standards including NENA Call Answer Standard, Erlang-C, and APCO Retains, as a target or goal for each agency. • That SNOCOM would need to start paying rent in 2023. They applied the same price per square foot that SNOPAC pays. • They normalized labor costs, including annual increases of 3% and benefit cost increases of 5%. • Maintenance and Operations costs were estimated at an increase of 4% per year. • E911 Revenue was estimated to increase at 3% per year. <p>Their aim was to also limit any volatility that could occur during the 10 year projection period in order to not skew the data.</p> <p>Director Peterson explained that while the NENA standard showed a significant difference between the two agencies, SNOCOM isn't missing it by large amounts. By plugging the data into the Erlang-C formula, which measures how much staff is needed in order to answer the number of incoming calls, it was found that SNOCOM needs to add 8 additional staff members and that SNOPAC is overstaffed by 2 as compared to the 2016 adopted budgets.</p> <p>Director Peterson added that the NENA call answering standard technically hasn't been adopted by anyone. It is something that the E911 board reports on regularly, and the dispatch centers routinely monitor it.</p> <p>Switching the focus to dispatching, Director Mills spoke about the amount of activity that can be on a radio talk group. He said that there was no standard that they could refer to, but both directors think that around 2020 it will be necessary to add an additional talk group at SNOPAC for law enforcement. He went on to explain that if consolidation happens, that 2020 timeframe would most likely be pushed out. They would have the capability of reallocating agencies onto different talk groups to better utilize the resources they have.</p>	

AGENDA ITEMS	REPORTS & COMMENTS	ACTION OR FOLLOW-UP
	<p>Using revised staffing models and taking optimized assumptions into consideration, the directors presented 10 year pro forma budgets for both SNOCOM and SNOBAC. These budgets reflect what it will cost both agencies to remain as stand-alone call centers for the next 10 years.</p> <p>A lengthy discussion followed the budget presentation. There was also some additional discussion about projected assessments for cities, both on a status quo basis as well as one of full consolidation. Projections for assessments would be based on current formulas used, including populations, calls for service and assessed values. The directors will work on providing some estimations on future assessments.</p> <p>Ms. Reed explained that the JTF's goal with the presentation was trying to get to a point where they are comparing the agencies equally. If the baseline is acceptable to the combined boards, they are asking for approval on how the budget was put together. The directors would then plan on moving forward to model the other options, including full consolidation.</p> <p>Commissioner Waugh stressed that the JTF consistently discusses the subject of enhancing the service delivery by the 911 centers. He said that he wasn't minimizing the dollar factor, but service delivery in public safety is their number one priority. He added that for anyone to stay on the phone longer than they have to when they have an emergency is something that the boards need to weigh as the highest priority.</p> <p>Chief Alexander expressed his appreciation for the work that has been done, and feels confident with the assumptions that were chosen to optimize the measurements.</p> <p><i>Chief Alexander moved to approve the components of the baseline scenario and the assumptions that go with them. The motion was seconded by Councilmember Cotton and approved by all with the exception of Dr. Saltonstall, representing the Town of Woodway. Dr. Saltonstall said that he does not like the NENA formula, and feels it was not well chosen. He is not voting against the work product, however.</i></p> <p>It was determined that separate board motions were not necessary. Attorney Brad Cattle stated that the vote was to only get general consensus of the work of the committee and the joint motion was acceptable.</p>	<p>Assessment projections, per city, to be provided</p> <p>Motion approved by majority</p>
Break	The joint board adjourned for a brief break at 9:58 a.m.	
Reconvene	The joint board reconvened at 10:10 a.m.	
Assessment Formula Principles	Ms. Reed presented the JTF's proposed user fee assessment principles and formula components. She began by first reminding everyone about what was in the adopted Statement of Values and Principles. The second part is a page with 10 principles that the JTF is using to develop its work around an assessment formula, and the	

AGENDA ITEMS	REPORTS & COMMENTS	ACTION OR FOLLOW-UP
	<p>third part is a table, which includes the preliminary approach to assessment formula components. She added that these components are what is used now, just mixed up slightly. She went on to describe the principles that were being used, and added that the JTF acknowledges that each agency uses a formula that works well for that agency. The committee decided to take the best parts of the current assessment formulas and see if they can be combined in a way that meets some principle direction.</p> <p>Chief Compaan moved to accept the proposed assessment formula principles as presented. The motion was seconded by Councilmember Mesaros. The motion passed unanimously.</p> <p>Ms. Reed quickly went over Table 2 in the presentation that outlines the proposed policy approach to the assessment formula components.</p>	<p>Motion approved</p>
<p>Governance</p>	<p>Ms. Reed presented Governance Principles, a memo in three parts: 1) including a recap of what was previously discussed, 2) 5 principles that the JTF was proposing to adopt to narrow down the field of options, and 3) unresolved issues.</p> <p>Ms. Reed presented 3 different governance options for consideration. The JTF wants to allow both boards the opportunity over the next month and half to look at each of the options and provide their feedback on the options presented. She read through some of the recapped items, listing some of the items that had already been adopted, as well as additional governance policy recommendations. These additional policy recommendations included 5 questions presented to the boards, with the JTF proposing a principle to address each question. Also listed were the unresolved governance issues. She expressed her hope that the boards would use the list as discussion topics at their upcoming meetings and report back to the Joint Task Force.</p> <p>Applying the principles that were previously adopted, along with the 5 additional principles that the group has proposed today, Ms. Reed spoke about some different governance models for allocating Police and Fire seats within a 15 member board.</p>	
<p>Should the JTF continue with the Phase 3 Work Plan items</p>	<p>It was the consensus of the joint boards that the Joint Task Force should continue working towards completion of Phase 3 Work Plan Items.</p> <p>No formal motion was made.</p>	<p>Approved to move forward</p>
<p>Adjourn</p>	<p>The meeting was adjourned at 11:10 a.m.</p>	