



CITY OF KIRKLAND
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MEMORANDUM

To: David Ramsay, City Manager

From: Tracy Burrows, Sr. Management Analyst

Date: August 25, 2006

Subject: Northeast King County Regional Public Safety Communications Center –
NORCOM Status Briefing

Recommendation: It is recommended that the City Council receive this update on the NORCOM project.

Background/Analysis:

The Northeast King County Regional Public Safety Communications Center (NORCOM) project was initiated by 5 cities (Kirkland, Mercer Island, Bellevue, Medina, Clyde Hill) and the Woodinville Fire and Life Safety District to explore the potential for a regional approach to police, fire and EMS dispatch in Northeast King County. An initial study completed in June 2004 found that there was considerable common ground among the jurisdictions regarding the benefits and challenges of pursuing the idea. Based on the strength of the findings of the 2004 study, the NORCOM initiative expanded to fourteen participating agencies, composed of cities and fire districts. This expanded group of participants recently completed an initial Business and Services Plan, including a model governance agreement, for a regional public safety communications agency.

The NORCOM initiative was motivated by the potential for a regional partnership that would consolidate the disparate dispatch services that currently serve the area. Fire and EMS dispatch services in North and East King County are currently provided through a contract with the City of Bellevue. Police dispatch is provided by 5 different cities. The King County Sheriff and Washington State Patrol also operate dispatch centers serving North King County. In other parts of the region (as well as other parts of the state and nation), dispatch services for both police and fire are commonly provided by a single regional entity. As articulated in the initial NORCOM needs assessment, the goals of regionalization are:

- ▶ Higher levels of service
- ▶ Increased efficiency
- ▶ Better interagency collaboration and interoperability
- ▶ Greater involvement by jurisdictions receiving service in operating, financial and governance decisions

The initial needs assessment further identified consensus that a regional dispatch agency should seek to provide:

- ▶ 9-1-1 call answering
- ▶ Police, fire and aid (Emergency Medical Service/Medic 1) dispatch
- ▶ Radio console maintenance and maintenance supporting computer platforms
- ▶ Strong operational linkage to a common wireless mobile data terminal (MDT) system.

Participants further agreed that these systems should be supported by an integrated Computer-Aided Dispatch/Records Management System (CAD/RMS), with additional study to determine the extent to which RMS services should be provided by the new agency.

Current Study Major Components

In March 2005, the City of Kirkland, on behalf of the participants in NORCOM, issued an RFP seeking a firm to develop the Business and Services Plan, including a model governance agreement. The RFP identified the following basic scope of work for 2005:

- ▶ Work with stakeholders to develop the operating values and principles for the development and operation of a regional dispatch agency;
- ▶ Develop governance options and facilitate discussions regarding the optimal governance model and level of service to be provided by such an agency, then draft an interlocal agreement to implement the optimal model; and
- ▶ Develop a business and services plan, to include:
 - an implementation strategy, including next steps;
 - projected staffing levels;
 - facility location options; and
 - an estimate of the cost of full implementation.

The Woodinville-based firm of ADCOMM Engineering, in partnership with Karen Reed Consulting LLC, was selected to perform this Phase II work.

A joint steering committee with representatives from each of the jurisdictions (including multiple participants from Kirkland and others representing different disciplines) was formed to provide input and direction to the study consultants. Through intensive participation of the agencies, particularly those with existing dispatch centers, the steering committee and multiple working committees developed the following products throughout the course of the study:

- ▶ Statement of operating values and principles
- ▶ Proposed governance interlocal agreement
- ▶ Proposed fee structure

- ▶ Services to be provided and service levels
- ▶ An administrative model
- ▶ Labor and employee relations considerations
- ▶ Facility location evaluation and recommendation
- ▶ Staffing plan
- ▶ Budget and cost scenarios
- ▶ Estimate of individual agency user fee charges
- ▶ Broad estimate of start up costs

The joint steering committee accepted the final report from ADCOMM and Karen Reed Consulting LLC at their meeting in early July. The executive summary is provided as an attachment to this memo. Below is a summary of some of the key conclusions:

Continued Interest:

- There is a desire among the steering committee participants to move to a partnership structure for delivery of public safety communications services, where agencies are owners of the service and make decisions jointly rather than the current contract model.

Governance:

- Governance of a new regionalized public safety communications agency should occur through creation of a separate legal entity governed by a board on which all principals/owners are represented with a proportional voting structure.
- Operating boards representing the police and fire/EMS disciplines would advise the board.

Cost and Service:

- In addition to the enhanced level of participation in decision making, there would be a number of operational benefits to a regionalized operation. The benefits should be balanced against the cost impact to individual agencies. Among the benefits are quicker 9-1-1 call receiving and dispatch times; enhanced coordination of police and fire response to major incidents; avoidance of future technology costs by those currently operating dispatch centers; transferring away management responsibilities; freeing up space for those agencies closing dispatch centers; and enhanced data sharing capabilities.
- A regional dispatch agency could provide a range of services and service levels including some that are currently provided individually such as records management.
- As compared to the total amount now being spent to provide dispatch through the existing centers, there are cost efficiencies achievable through a regionalized center.
- Current cost structures are not full cost recovery arrangements; therefore, moving to a full cost sharing partnership model will result in some cost shifting from current dispatch providers (primarily Bellevue) to the current customers.
- In order to minimize the fiscal impact of this large shift, the steering committee discussed

several cost transition strategies whereby fees for current customers are gradually ramped up over time to reflect the full cost of a partnership model. This would result in ramping up the cost savings to Bellevue over that same period.

- A fee structure discussed by the steering committee would share costs between police and fire/EMS on a 50/50 basis and would transition the cost shift over a ten year period to offset the increased costs for current customer agencies.

Location:

- To facilitate a near term start up of NORCOM, the Bellevue City Hall is likely the only viable option meeting all of the facilities criteria developed by the Committee. If the Bellevue City Hall site is pursued, it should be through a lease arrangement with Bellevue. In later years, depending on NORCOM growth, the current space allocated for Dispatch at Bellevue may need to be re-evaluated.

The preliminary recommendations primarily compare operating costs of the current dispatch centers with a regionalized center, assuming consolidation of two or more of the existing centers. The study shows that some efficiencies of scale are possible even with just two centers consolidating (Kirkland and Bellevue), but greater efficiencies are possible if a true regionalized agency is achieved. Some of the outstanding or unknown pricing components that may be associated with formation of a new regional agency are:

- ▶ Lease terms and conditions
- ▶ Cost to reimburse Bellevue for existing equipment
- ▶ Financial transition plan that will accommodate the need for a transition from current contract model to a full partnership model
- ▶ Technology costs to ensure computer aided dispatch system and mobile data systems provide full range of services to participants

Key Considerations for the City of Kirkland

The NORCOM Business and Services Plan demonstrates that there are efficiencies in regionalizing the police, fire and EMS dispatch functions of the agencies participating in NORCOM. The estimated annual operating costs for Phase I of NORCOM are less than the existing combined costs of the Bellevue and Kirkland dispatch operations, based on the proposed NORCOM staffing plan. However, the greatest challenge facing NORCOM is the prospect of significant shifting of costs from the current providers of dispatch services to the current dispatch customers.

Currently, Bellevue charges its dispatch customers on a rough marginal cost basis. Its dispatch center is a sunk cost—Bellevue must have a dispatch center to serve its own needs. The revenue from the contracts with Fire and EMS customers covers the marginal costs of providing the contracted services and helps defray a portion (but not all) of the sunk overhead costs. Likewise, Kirkland charges its customers based on the staffing costs of providing dispatch services, but this charge does not capture all of the overhead

costs of running a dispatch center. Kirkland benefits from this arrangement by higher level of service (in the form of back-up staffing) for its own dispatch operation.

As a stand-alone operation, NORCOM will be charging principals and customers based on their share of the costs of the overall operation – including dispatch staff and administrative overhead. For Kirkland, this translates into higher costs for fire dispatch as the City transitions from a contract model to a partnership model. However, police dispatch costs would be lower because the City would no longer operate a stand-alone dispatch center.

Overall, Kirkland’s total operating costs to participate in NORCOM will increase by approximately \$140,000 in the first year. This first year cost may vary depending upon the final agreement on the financial transition plan. Retained costs are the most obvious driver of this overall increase in costs. Retained costs are approximately \$800,000 in costs of the City’s current dispatch operation that will not be eliminated after NORCOM goes into operation. Absent these retained costs, the NORCOM option would result in an overall savings for the City of Kirkland. These retained costs break out as follows:

DIRECT RETAINED COST: Option 1: \$375,000 Option 2: \$350,000 - \$650,000	
Option 1: Records Staffing	Additional records staff needed to cover records work performed by dispatch staff during evening hours
Option 2: Jail Staffing	Additional jail staff who can also cover records work performed by dispatch staff during evening hours
REALLOCATED COSTS: \$425,000	
Dispatch Management	20% of Chief, Captain, and Admin Coordinator's time and 25% of Supervising Lieutenant's time
Central Overhead	Portion of central overhead assigned to the dispatch center: Finance, HR, city atty, city mgr, etc.
City Hall Space	1,000 SF of dispatch space
Insurance, Telephone	Portion of insurance and telephone costs that are assigned to the dispatch center.
TOTAL RETAINED COSTS: Option 1: \$800,000 Option 2: \$775,000 - \$1,075,000	

Direct Retained Cost

Approximately half of NORCOM's retained costs are attributable to the issues of police records and jail monitoring. Currently, the Kirkland dispatch staff are able to perform off-hours records functions and jail monitoring. If the dispatch staff were to move to NORCOM, the City would have at least two options to replace the functions that were previously performed by the dispatch staff. One option would be to hire off-hours records personnel to perform the required records functions and to monitor the jail at the level of service that is currently performed by dispatch staff. This would be at an expense of approximately \$375,000 annually and these costs have been included in the calculation of the overall Kirkland costs to participate in NORCOM.

The second option would be to address a long-standing need for improvement in jail operations by hiring off-hours jail personnel to perform the jail monitoring function. Depending on the structure and specific job duties of these positions, these jail personnel may also be also perform the required records functions. This would result in an overall increase in the level of service that the Police Department provides, because the jail would have increased monitoring and supervision. The cost of this option ranges from approximately to \$350,000 to \$650,000 depending on the level of jail supervision provided. The City is currently conducting a jail study to develop a recommended staffing level for this option and to identify whether it would be feasible to have the additional jail staff perform the required records functions.

Reallocated Costs

While the reallocated costs attributed to NORCOM have been included in the overall calculation of NORCOM's cost to Kirkland, this reallocation of resources does create operational opportunities that will result in benefits to Kirkland once NORCOM becomes functional.

Under NORCOM, Kirkland's current dispatch center would consolidate with the Bellevue Center. NORCOM operations would be managed by an Executive Director with high-level expertise in the communications field. The benefit of this management structure is that NORCOM will be a contemporary emergency communications center that is staffed with experts skilled and passionate about providing service. This means that NORCOM's customers – fire, EMS and police experts – would be able to focus on the work only they can do without needing to also be responsible for the supporting functions provided by emergency communications professionals.

Specifically for Kirkland, this means that a significant amount of police time that goes into the management of the dispatch center will be freed up to be put to use for direct law enforcement services. These resources may be able to be harnessed to accomplish some objectives in the Police strategic plan that would otherwise require new funding. Rather than considering these retained costs as part of NORCOM's cost, it may make sense to attribute them to the initiatives that will benefit from the move to NORCOM.

Likewise, the City Hall space that will be freed up with the NORCOM consolidation is defined as a retained cost that is attributable NORCOM. However, that space may have a higher value to the City in its new use, particularly in light of the Police Departments space needs.

Accounting for the benefits of additional police department space and the redeployment of high-level police resources to direct law enforcement tasks, then Kirkland's annual operational costs to participate in NORCOM would be roughly comparable to its current annual dispatch costs.

Next Steps

In September, staff will provide a presentation to the City Council covering the general areas of recommendation from the NORCOM study. As the Council considers the 2007-08 budget, staff will provide additional information about the proposed NORCOM transition budget and its cost implications to the City. The Steering Committee has identified a preliminary transition schedule that is contingent on participants providing this direction in the late Fall or early Winter. If there is a consensus to move forward, the actual transition to a regional agency would not likely occur until 2009, with a definitive go/no go decision by the City Council by the fall of 2007. During the transition work over the next year, the NORCOM team will be

working out the details of the financial transition plan, the technology transition costs, and any capital investment costs so that the City Council will have this critical information before making a definitive go/no go decision.

**BUSINESS AND SERVICES PLAN
PRELIMINARY RECOMMENDATIONS**

**NORTH EAST KING COUNTY
REGIONAL PUBLIC SAFETY
COMMUNICATIONS CENTER INITIATIVE**

PHASE II REPORT

July 13, 2006

COMMISSIONED BY:

City of Bellevue
City of Bothell
City of Clyde Hill
City of Issaquah
City of Kirkland
City of Medina
City of Mercer Island
City of Redmond
Eastside Fire and Rescue
King County (Fall City) Fire District 27
King and Kittitas Counties (Snoqualmie Pass) Fire District 51
Northshore Fire District
Shoreline Fire District
Woodinville Fire and Life Safety District

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**North East King County
Regional Public Safety
Communications Center Initiative
Phase II Report – Business and Services Plan
Preliminary Recommendations**

EXECUTIVE SUMMARY

Fourteen local jurisdictions in North and East King County – cities, fire districts and a public safety joint operating agency – commissioned this Phase II study to develop a governance interlocal agreement and business and services plan for a regionalized public safety communications agency. Phase I of the project – a needs assessment for the regional agency concept – was completed in 2004. Phase II work began in March 2005 and concluded in May 2006.

The Phase II effort was highly participatory. A Steering Committee composed of top management staff and/or chief executive officers from all participating jurisdictions met approximately monthly and made decisions to shape and move the project forward at every step. The Steering Committee was assisted by six Subcommittees composed of representatives from the participating jurisdictions together with an Executive Committee consisting of the chairs of the various Subcommittees. The City of Kirkland was lead agency for the project, which was jointly funded and managed under a joint powers agreement executed by all Participants. The number of participating agencies grew as the project progressed.

The key conclusions from Phase II are:

- Participants have a strong core of commonly held interests, values and principles with respect to the operation and governance of a regional public safety dispatch agency.
- Participants desire to move to a partnership structure for delivery of public safety communications services, where agencies are owners of the service operation and make decisions jointly. This is often described as seeking a governance model that provides a meaningful voice and vote for all member agencies. The Participants seek to move away from the current contract customer relationship for dispatch, in which a few dispatch operators provide services via contracts to many agencies.
- Governance of a new regionalized public safety communications agency should occur through creation of a separate legal entity formed as a nonprofit corporation whose members are public entities/agencies and governed by a board on which all “principals/owners” are represented.

- In addition to the enhanced voice and vote in management decisions attendant upon a move to a jointly-owned and operated agency, there are a number of operational benefits to a regionalized operation. The benefits should be balanced against the cost impact to individual agencies. Among the benefits are quicker dispatch times; avoidance of future technology costs by those currently operating dispatch centers; transferring away challenging management responsibilities to a new entity; freeing up of scarce office space (for those cities that would be closing their local dispatch operations); and enhanced data sharing capacities.
- A new regional dispatch agency could provide a range of services and service levels. There is agreement that the agency should provide 9-1-1 call intake and dispatch. There is not yet consensus amongst Participants regarding whether the agency should assume the operation of the trunked radio 800 MHz system for the area, or the extent to which public safety records management functions should be performed.¹ Agency operations could be structured in a variety of ways, depending on cost and service preferences of the member agencies. The longest lead-time issue is the selection, migration and implementation of computer-aided dispatch (CAD), mobile data terminal (MDT) and records management system (RMS) technologies. The greatest risks are the impact on existing stand-alone dispatch centers and their ability to retain qualified staff during the transition to a regional agency.
- As compared to the total amount now being spent to provide public safety dispatch to the Participants, there are cost efficiencies achievable through consolidation of the several existing stand-alone public safety dispatch operations serving North and East King County. These efficiencies can be achieved while maintaining and enhancing service levels.²
- Current cost structures—specifically, contracts between existing dispatch providers of Bellevue and Kirkland and their respective dispatch customers—are not full cost recovery arrangements. As a result, moving

¹ It was agreed that there should be one unified records management system (RMS) for police and one unified RMS for fire / EMS. What was not decided is where the systems should be located, how various police records-related duties would be managed and how to sort through the liabilities related to accuracy and timeliness of police records handling.

² Offsetting the efficiencies gained by consolidating dispatch centers are the ongoing costs which will be retained by some of the entities providing dispatch service. Bothell, Issaquah and Kirkland dispatch center employees also provide support monitoring jails and courtrooms, responding to public window inquiries after normal business hours, and accessing and updating police records. These functions will continue whether or not NORCOM is formed. The increased efficiency of a consolidated dispatch center comes from callers to 9-1-1 being served by a single call receiver for police, fire and EMS, rather than being transferred to a second call receiver as often happens if the call requires resources from more than one dispatch center.

from a “marginal cost”³ customer arrangement to a “full cost sharing partnership arrangement” called for by the consensus governance model involves significant cost shifting from current dispatch providers to current customers. To overcome the impact (fiscal and otherwise) of this large cost shift, the partners have discussed a variety of cost transition plans whereby fees for current customers are shared/gradually ramped up over time to reflect the full cost of a partnership model.

- Numerous user fee illustrations were developed. A possible fee structure includes sharing costs between police and fire/EMS on a 50/50 basis and Bellevue contributing some of its savings over a ten year period to offset increased costs for other Participants. The first year total cost for Participants, should this fee structure be adopted, would be \$6.9 million compared to the existing cost of \$8.3 million.⁴

While the work to date has addressed many questions, many matters remain unresolved. What is essentially proposed by this effort is a transition in public safety dispatch operation – a transition from customer arrangements to a jointly owned and operated agency. Whether this transition can be accomplished depends on a number of decisions that have yet to be made (such as staffing configurations or selection of technology) and inputs that have yet to be priced that will have significant impact on the financial realities of dispatch regionalization.

In the category of unknown pricing components, the major near-term challenge is for the Participants to work with Bellevue – as the likely lessor of facility space to a new regional dispatch agency – to determine:

- Lease terms and conditions under which a new regional dispatch agency will lease space in the City Hall. Means must be found to ensure the new agency is able to operate as a stand-alone entity within the Bellevue City Hall location, appropriately segregated from the City’s other systems.
- The cost to reimburse Bellevue for equipment currently owned by Bellevue for its dispatch operation that would be transferred to the new agency.

³ An agency providing emergency communications service has a cost to serve its own users. In this report, the additional amount to serve other users is described as the *marginal cost*. The characterization of the current dispatch service contracts as involving marginal cost arrangements does not bind the participants in upcoming negotiations on the extension of dispatch services to endorse this characterization and is not intended to suggest that future dispatch service contracts (or extensions or amendments of current contracts) will or will not include marginal cost arrangements.

⁴ The user fee illustration of \$6.9 million assumes 19 agencies participate and all administrative support provided by NORCOM and a staffing configuration which includes a supervisor present at all times and 20% employee turnover.

- The financial transition plan that will accommodate the need for a transition user fees from the current marginal costs paid by customers to the full cost approach appropriate to a jointly owned and managed agency.

These items have significant impact on the economics of the project. Given Participant budget cycles, completion of these tasks would ideally occur between June and August 2006 in order that the project may proceed without undue delay and loss of momentum.

The work on Phase II by all Participants created an environment of cooperation and increasing trust. The strong commonality in goals, principles and values regarding a regional dispatch agency was, and remains, a very strong foundation from which to proceed towards implementation if the Participants so choose. Indeed, given the effort over the last two years, and the vision that the group has together created for the future, it is difficult to imagine the Participants walking away from the regional agency concept and returning to an acceptance of current contracting arrangements.

While the challenges of moving ahead should not be underestimated, the value achievable in governance and public safety remain sound and worthy objectives.

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Draft NORCOM Transition Schedule

8/25/2006

ID	Task Name	Start	Finish	2006												2007												2008												2009	
				Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb					
1	Participants Define General Terms of Participation	6/9/2006	8/31/2006	██████████																																					
2	Work Toward Developing Agreement on Terms with Bellevue	8/1/2006	12/29/2006	██████████																																					
3	Define Technology Requirements	8/1/2006	3/1/2007	██████████																																					
4	Complete ILA	1/1/2007	3/30/2007													██████████																									
5	RFP for Technology Vendors	3/8/2007	6/29/2007													██████████																									
6	Selection of Technology	7/2/2007	9/28/2007													██████████																									
7	Initiate Employee and Labor Union Negotiations with Existing Unions	9/28/2007	9/25/2008																									██████████													
8	Technology Implementation	10/1/2007	2/27/2009																									██████████													
9	Executive Director Selection	10/1/2007	12/28/2007																									██████████													
10	Appoint Governing Board and Service Boards	10/1/2007	12/28/2007																									██████████													
11	Define Service Protocols	1/7/2008	8/5/2008																									██████████													
12	Develop NORCOM Budget	3/17/2008	8/15/2008																									██████████													
13	Hire NORCOM Staff	6/16/2008	12/31/2008																									██████████													
14	Begin NORCOM Operations	1/1/2009	2/27/2009																																					██████████	