

**THURSTON 9-1-1 COMMUNICATIONS
ADMINISTRATION BOARD MEETING AGENDA**

Wednesday, May 6, 2020 @ 3:30 p.m.

Join Zoom Meeting

<https://zoom.us/j/3607042732>

AGENDA

1. Call to Order
2. Approval of Agenda
3. Approval of Agenda & Consent Agenda

The following items can be passed by a single motion to approve all listed actions. If discussion is requested the item will be moved from the Consent Agenda and considered separately.

TCOMM911 Disbursements

a. Warrant Summary	3/16/2020 – 4/15/2020
#104974 - #105004	\$210,936.05
b. Payroll Summary Pay Periods Ending	3/15/2020 & 3/31/2020
i. Total Wages Paid	\$400,659.42
ii. Total Benefits Paid	\$160,812.04

4. Approval of March 30, 2020 special meeting minutes
5. Correspondence:
6. Public Testimony:
7. Financial Reports _____ C. Mai
 - a. Economic Forecast Update _____ K. Flewelling

OLD BUSINESS

8. Executive Director Performance Evaluation _____ L. Greenstein
9. TCERN Project Update _____ K. Flewelling
10. 2019 Annual Report _____ K. Flewelling
11. Lewis County Update _____ K. Flewelling
12. NG911 Telephone System Replacement Update _____ W. Hill
13. 2020 Budget Amendment
Resolution 2020-11 2020 Budget Amendment _____ (Action) _____ K. Flewelling

NEW BUSINESS

14. Staff Report – Co-location Contract Status _____ K. Flewelling

Next Meeting: June 3, 2020 @ 3:30 pm

Warrant Summary

03/16/2020 through 04/15/2020

<u>CHK_NO</u>	<u>CHK_DATE</u>	<u>VENDOR_NAME</u>	<u>AMOUNT</u>
104974	3/23/20	AT&T	818.86
104975	3/23/20	CAPITAL BUSINESS MACHINES INC	305.81
104976	3/23/20	COMCAST CABLE COMMUNICATIONS	110.07
104977	3/23/20	CORNETT RAY	150.00
104978	3/23/20	LANGUAGE LINE SERVICES INC LLS	14.21
104979	3/23/20	PUGET SOUND ENERGY INC	89.80
104980	3/23/20	PUGET SOUND ENERGY INC	34.10
104981	3/23/20	RIDDLE LOUIS	128.70
104982	3/23/20	SMITH TIFFANY	254.05
104983	3/23/20	WA DEPT OF NATURAL RESOURCES	57,026.40
104984	3/23/20	WA DEPT OF TRANSPORTATION	2,691.12
104985	3/23/20	WELLS FARGO FINANCIAL LEASING	235.21
104986	3/30/20	ASSOCIATION OF WA CITIES	373.40
104987	3/30/20	COMCAST CABLE COMMUNICATIONS	267.31
104988	3/30/20	DE LAGE LANDEN FINANCIAL SVS	151.93
104989	3/30/20	PUGET SOUND ENERGY INC	1,060.86
104990	3/30/20	STAR RENTALS INC.	553.00
104991	3/30/20	WA STATE PATROL	9,000.00
104992	4/6/20	HEARING HEALTHCARE CENTER INC	120.00
104993	4/6/20	THURSTON COUNTY	49,289.15
104994	4/6/20	US BANK NATIONAL	7,837.96
104995	4/6/20	WA DEPT OF RETIREMENT SYSTEMS	28.46
104996	4/13/20	AVIAT U.S. INC	75,642.41
104997	4/13/20	CENTURYLINK	354.92
104998	4/13/20	CONSOLE CLEANING SPECIALISTS	326.70
104999	4/13/20	CONSOLIDATED TECHNOLOGY SVC	655.00
105000	4/13/20	IDENTITY AUTOMATION, LP	328.20
105001	4/13/20	NAVIA BENEFIT SOLUTIONS	145.25
105002	4/13/20	PUGET SOUND ENERGY INC	149.77
105003	4/13/20	TESSCO INC	1,809.70
105004	4/13/20	TYLER TECHNOLOGIES INC	983.70
			<u>\$210,936.05</u>

Thurston 911 Communications
Administration Board Special Meeting Minutes
Monday March 30, 2020 @ 3:30 P.M.

Meeting was held via teleconference call.

Members Present:

Administration Board:

Lenny Greenstein – Chair, City of Lacey, Councilmember
Leatta Dahlhoff – Vice-Chair, City of Tumwater, Councilmember
Renata Rollins - City of Olympia, Councilmember
Gary Edwards – Thurston County Board of County Commissioners
Tracey Wood – City of Yelm, Councilmember
John Snaza – Thurston County Sheriff's Office
Sylvia Roberts – Lacey Fire District #3, Fire Commissioner
Meredith Hutchins – Thurston County Fire Commissioners Association

TCOMM staff:

Keith Flewelling – Executive Director
Wendy Hill – Deputy Director
Carla Mai – Financial Manager
Bré Skaggs – Administrative Assistant
Jeff Myers – General Counsel

Call to Order

Chair L. Greenstein called the meeting to order at 3:30 p.m.

Approval of Agenda/Consent Agenda & Minutes

M/S/C approval of the March 30, 2020 Agenda/Consent Agenda. (L. Dahlhoff/G. Edwards)
M/S/C approval of March 4, 2020, Admin Board meeting minutes (J. Snaza/T. Wood)

Correspondence – None

Public Testimony – None

Old Business

None.

New Business

Family First Coronavirus Response Act (FFCRA): W. Hill provided the board with information regarding the federal government's decision to expand eligibility and qualifying events of the Family and Medical Leave Act. The FFCRA will provide up to 80 hours of additional sick time to employees of qualified employers. W. Hill asked the Board to approve a newly established TCOMM911 Policy 110A for FFCRA due to the national emergency related to the COVID-19 pandemic. This policy, should it be approved, will be effective April 1, 2020, through December 31, 2020.

**Thurston 911 Communications
Administration Board Special Meeting Minutes
Monday March 30, 2020 @ 3:30 P.M.**

Resolution 2020-10 establishing TCOMM911 Policy 110A (Families First Coronavirus Response Act), effective April 1, 2020. (T. Wood/G. Edwards)

Meeting adjourned: With no further business or good of the order, the Board meeting adjourned at 4:00 pm.

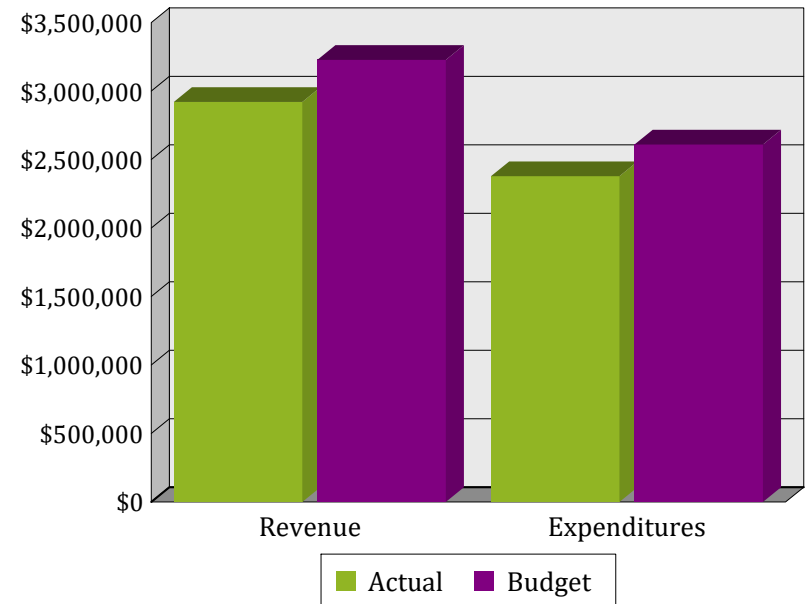
Next meeting: May 6, 2020 @ 3:30 pm

Budget Variance Analysis

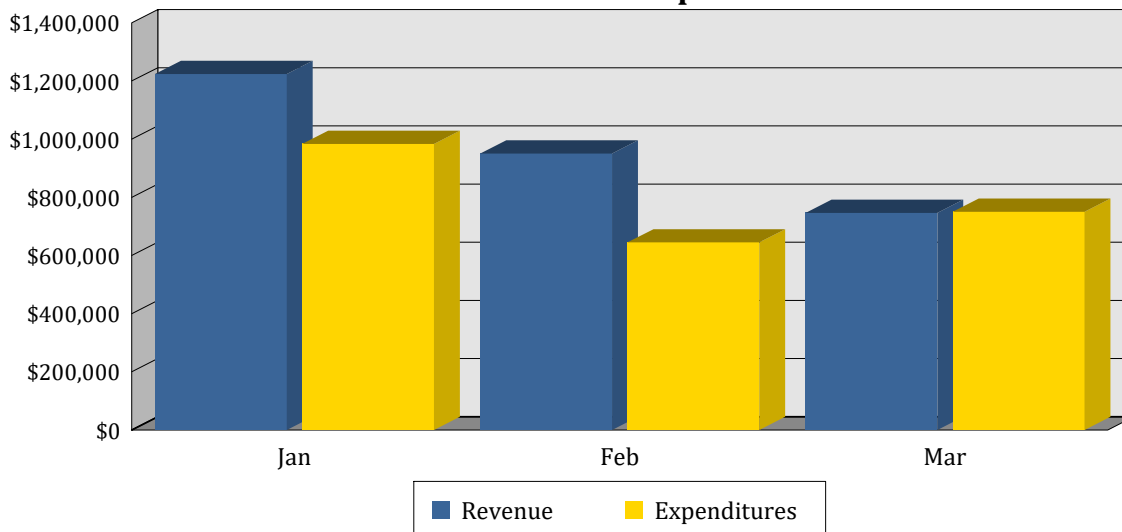
for March 2020

	Actual YTD	Amended Budget	YTD Budget	\$ Variance	% Variance
REVENUE					
Sales Tax	1,833,250	6,063,023	1,515,756	317,494	20.95%
Sales Tax - Radio	0	3,031,512	757,878	-757,878	-100.00%
Excise Tax	744,026	2,886,115	721,529	22,497	3.12%
Communications	60,156	343,820	85,955	-25,799	-30.01%
WA State E911	35,874	64,500	16,125	19,749	122.48%
Rent/Leases	9,571	61,965	15,491	-5,920	-38.22%
LERMS	141,087	141,087	35,272	105,815	300.00%
Interest	26,554	53,200	13,300	13,254	99.66%
Grants	250	257,160	64,290	-64,040	-99.61%
MISC	3,485	11,800	2,950	535	18.13%
TOTAL	2,854,253	12,914,182	3,228,546	-374,293	-11.59%
EXPENDITURES					
Administration	338,324	947,016	236,754	101,570	42.90%
Information Technology	133,291	656,534	164,134	-30,843	-18.79%
Radio	297,521	1,505,637	376,409	-78,889	-20.96%
911 Dispatch	1,510,588	7,193,296	1,798,324	-287,736	-16.00%
LERMS	32,590	136,939	34,235	-1,645	-4.80%
TOTAL	2,312,313	10,439,422	2,609,856	-297,542	-11.40%

YTD Budget Variance



YTD Revenue & Expenditures

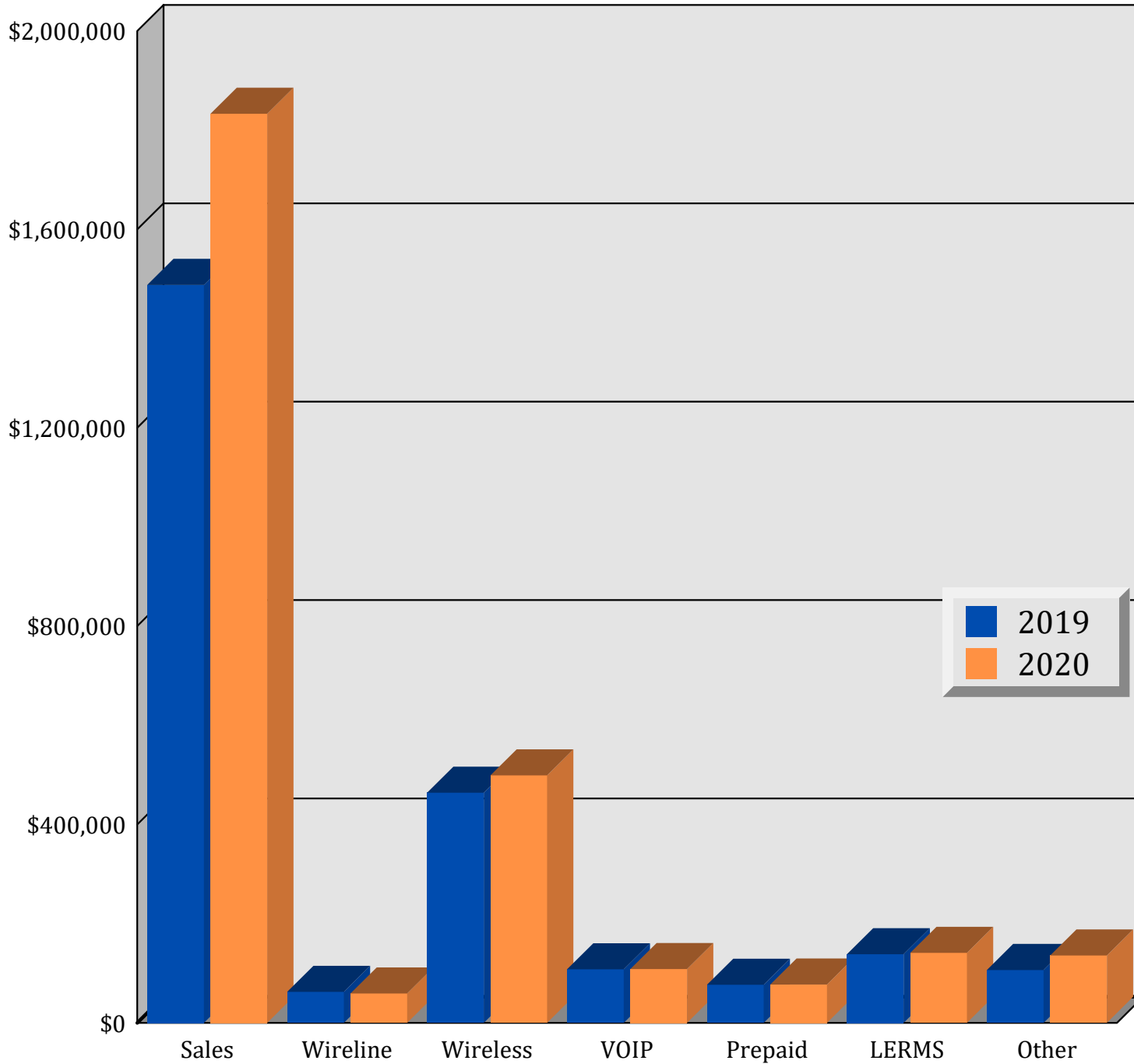


2020 Budget Amendments

Resolution 2019-23: Dec 4, 2019 \$110,000 Carry-forward 2019 Budgeted Expenses to 2020 & \$585,259 2020 TCERN Expenses

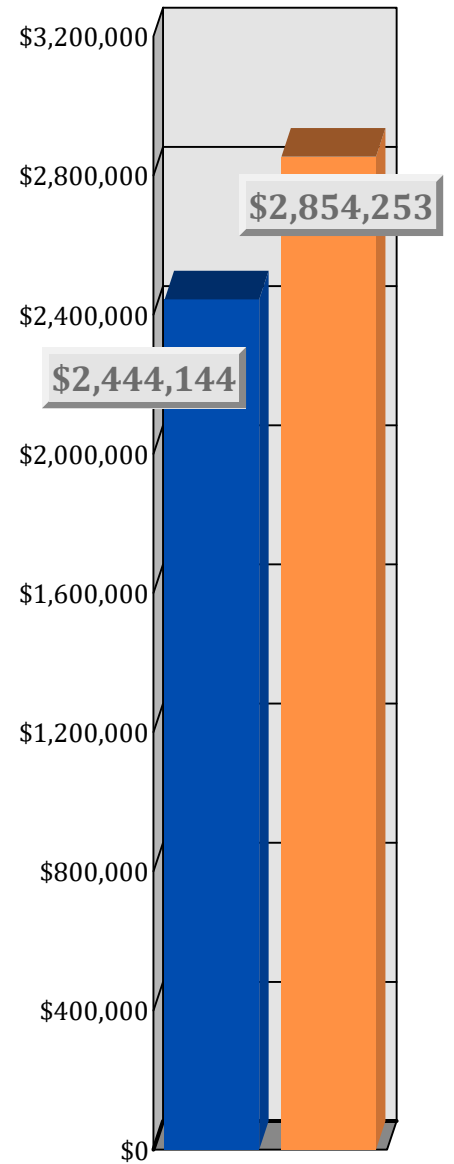
2019-2020 Revenue by Source

for Quarter 1, 2020



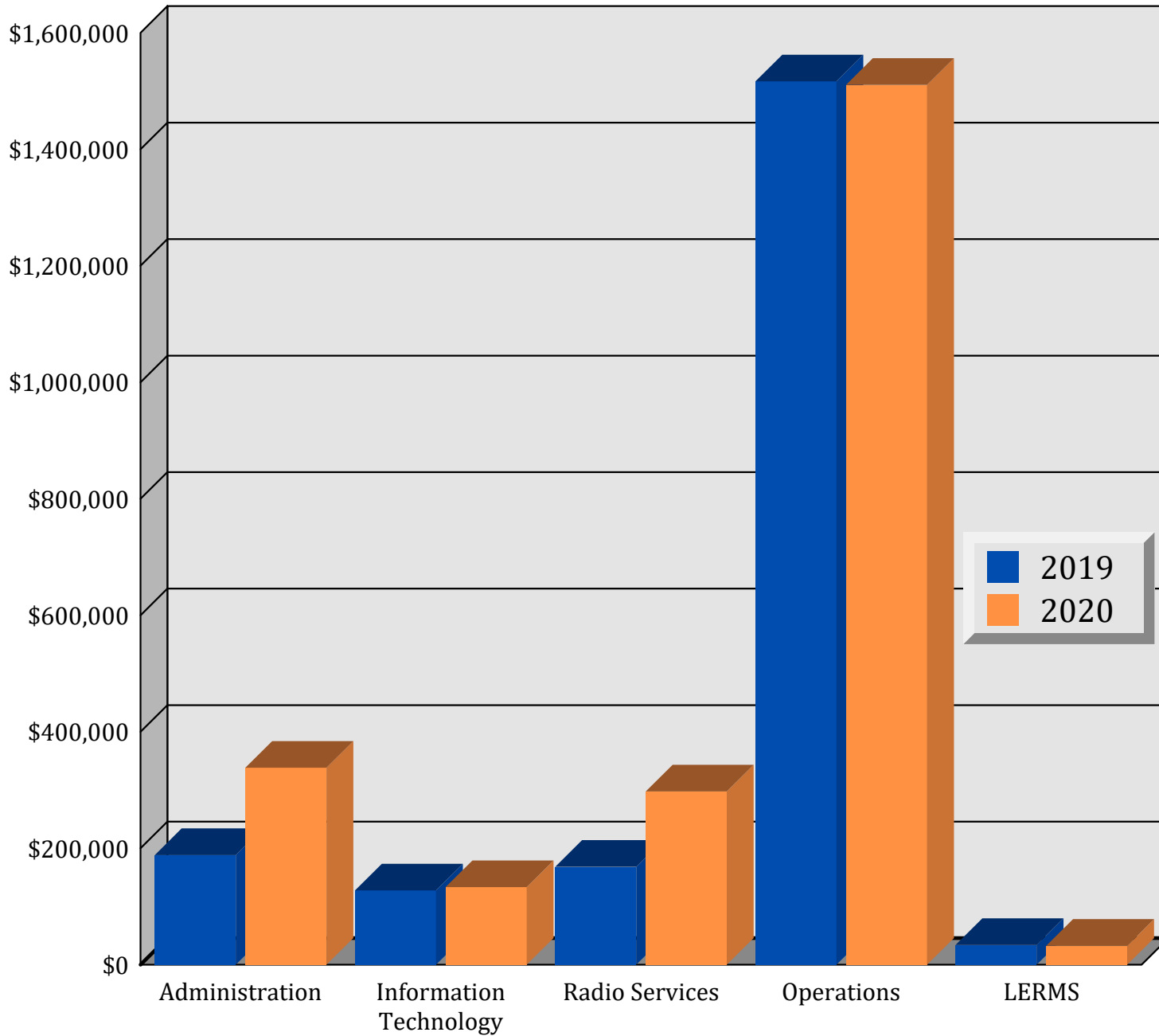
Total Revenue

for Quarter 1, 2020



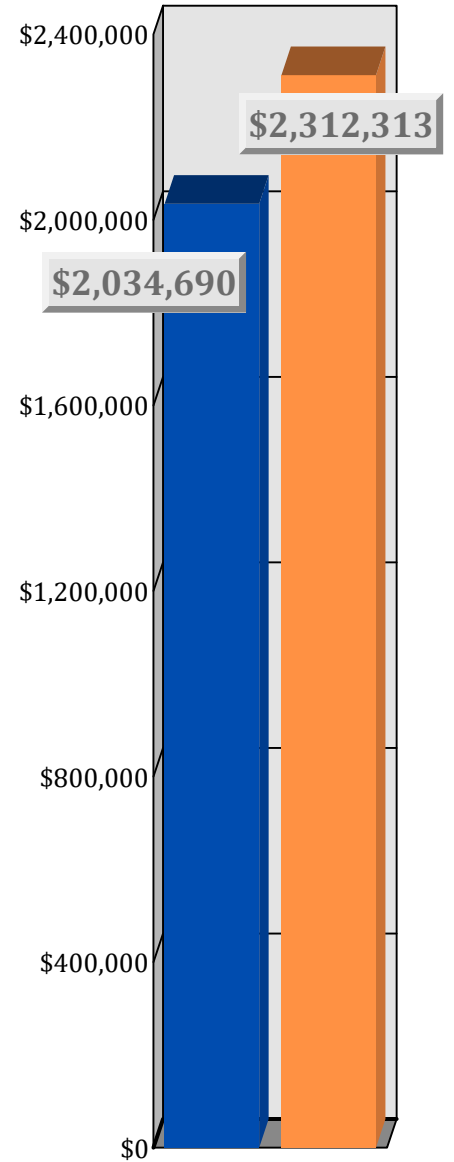
2019-2020 Expenditures by Department

for Quarter 1, 2020



Total Revenue

for Quarter 1, 2020





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2020 ECONOMIC UPDATE – COVID19

With the emergence of COVID-19, and the subsequent Stay Home, Stay Healthy Proclamation by Governor Inslee on March 23, 2020, TCOMM is facing a significant economic event. Due to the minimum 2-month delay in the receipt of tax revenue, the full impact of COVID-19 is still unknown.

The financial impact to TCOMM is expected to begin starting with the tax revenue received in the month of May. However, because the Proclamation was declared late in the month, a much larger impact to revenue is expected to be observed in the month of June.

Even though we won't have a lot of data until June, TCOMM staff are monitoring the situation closely, and have been diligently working to mitigate the impact on both current and future TCOMM operations. Below is an overview of important financial information to keep in mind as we work together to navigate this economic event.

- Source of 2020 Budgeted Revenue
 - 71% Sales Tax
 - 22% Excise Tax
 - 7% Other Income Sources
- Q1 2020 sales tax collections were 23.2% over 2019; 20.95% over budget
 - December Sales tax of \$198,727 was received in Jan 2020
 - Without including the December tax, Q1 2020 collections were 9.85% over 2019 Q1
- 2020 Revenue Budget for the Original 1/10 of 1% was extremely conservative
 - 2019 Total Sales Tax Collected \$ 6,311,023
 - 2020 Budget for the Original 1/10 of 1% \$ 6,063,023
- 2020 Revenue Budget for the Additional 1/10 of 1% was also conservative
 - Additional 1/10 of 1% Sales Tax become effective as of April 1, 2020. Collection of the additional tax will begin in June 2020 (7 Months)
 - 2020 Budget was calculated on 6 months of collection in case of implementation delays
- Forecasting Models show that TCOMM can withstand up to a 17% decrease in monthly sales tax collections (compared to 2019 collections) and still end the year within the 2020 revenue budget
- Forecasting Models using a 35% decrease in monthly sales tax would leave TCOMM with a projected ending fund balance of \$5.7 Million (for reference the 2018 ending fund balance was \$5.8M)

While we are not considering any major changes to our financial management, such as reductions in force, or halting large projects, we are continuing to be cautious and mindful of the Agency's expenditures relative to the revenue during this time and we are reviewing any new projects or large spending on a case-by-case basis to determine if the timing of the purchase is warranted. Staff will continue to monitor the situation closely and will continue to provide updates as the impacts of COVID-19 are observed.

2020

PROPOSED BUDGET AMENDMENT #2

Thurston 911 Communications



TCOMM 911

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2020 Proposed Amendment #2 Details

2019 Carry-over

Proposition 1 Election Fees	\$ 85,000
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2020 TCERN Project

Motorola Equipment Lease Payment	\$ 2,740,400
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ADCOMM Contract	\$ 101,000
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Radio Systems Asst Sal/Benefits – increase 0.75 FTE	\$ 13,527
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Anticipated Hire Date Delayed to May 2020

New Employee & New Location Expenses	\$34,820
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EX: Furniture, Computers, Janitorial, Phone, Internet

New Location Copier Lease	\$1,850
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2020 Operations

Solacom Contract	\$ 203,680
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Final Contract: \$512,271, Original Estimate for Budget: \$308,592

Solacom Grant Revenue	- \$ 24,460
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Grant Awarded: \$232,701, Original Estimate for Budget: \$257,160

Collective Bargaining Agreements	\$ 106,283
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2020 Proposed Amendment #2

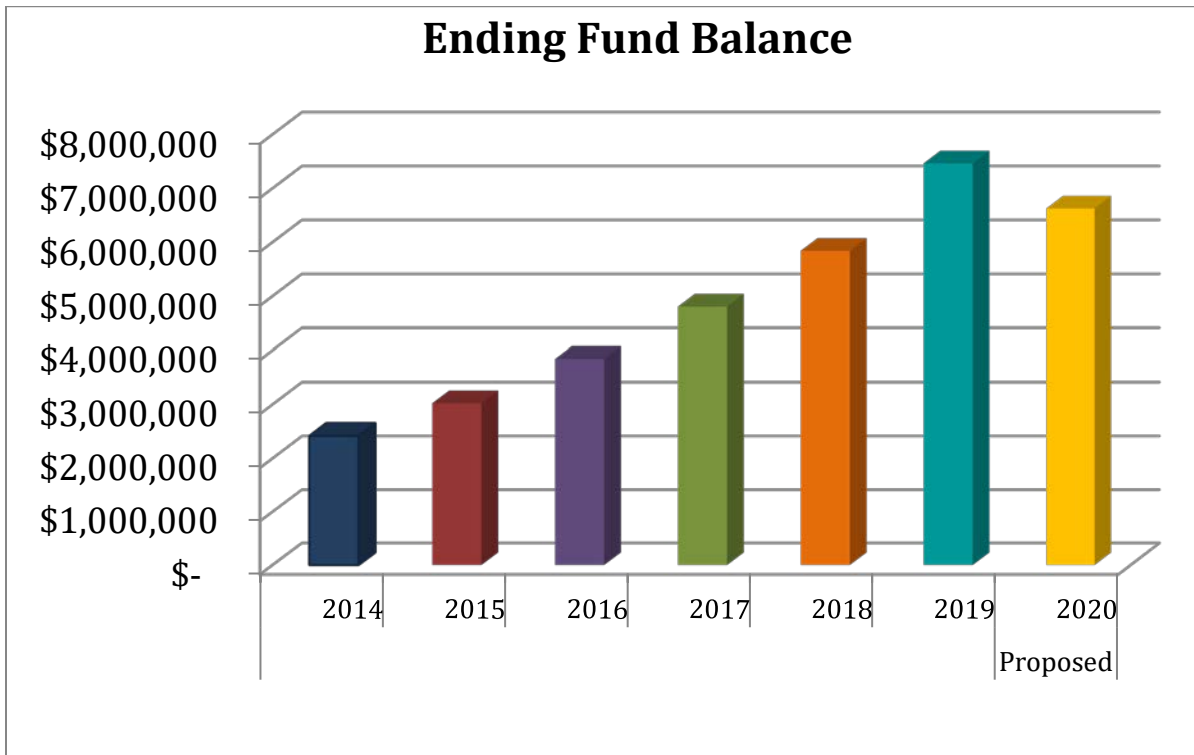
	Current Budget	Amendment #2
Operating Revenue		
Sales Tax	\$ 9,094,535	\$ 9,094,535
E911 Excise Tax	2,886,115	2,886,115
Communication Services	343,820	343,820
WA State E911 Funding	64,500	64,500
Rent/Leases	61,965	61,965
LERMS	141,087	141,087
Grants	257,160	232,700
Misc.	65,000	65,000
Total	\$ 12,914,182	\$ 12,889,722

	Current Budget	Amendment #2
Operating Expenditures		
Administration	\$ 943,631	1,028,631
Information Technology	600,534	607,634
Radio Systems Technology	1,040,637	1,170,884
Operations	6,882,379	6,988,662
LERMS	136,939	136,939
Total	\$ 9,604,120	9,932,750

	Current Budget	Amendment #2
Operating Revenue - Expenditures	\$ 3,310,062	\$ 2,956,972
Debt Service		
Capital Equipment	835,302	3,793,232
Change in Fund Balance	\$ 2,474,760	- \$ 836,260

2020 Ending Fund Balance

	Current Budget	Amendment #2
Beginning Fund Balance	\$ 7,460,890	\$ 7,460,890
Change in Fund Balance	2,474,760	- 836,260
Projected Ending Fund Balance	\$ 9,935,650	\$ 6,624,630

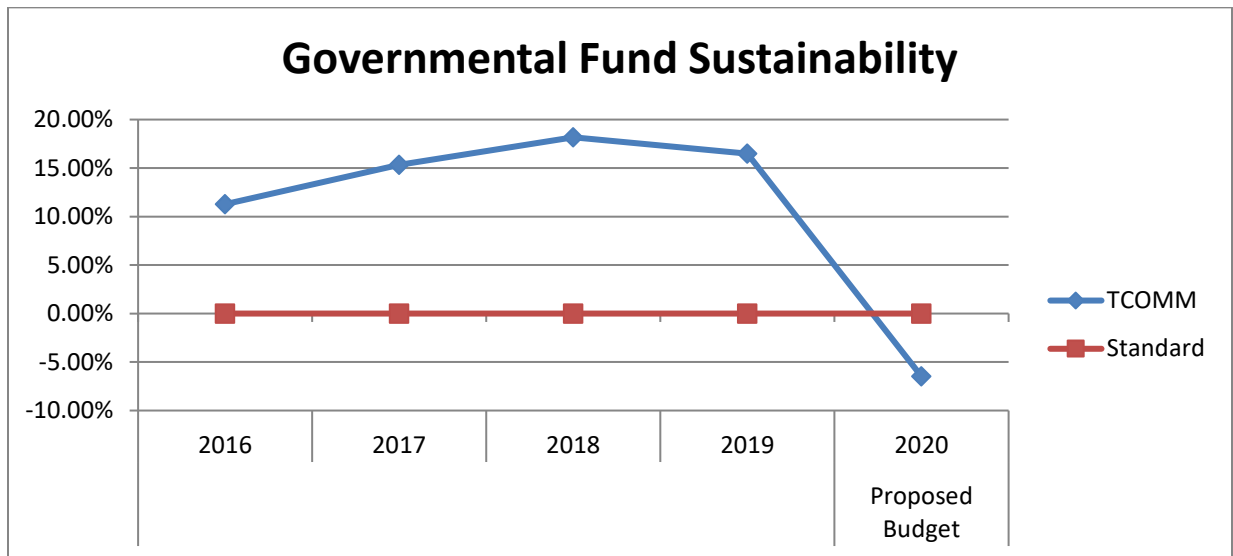


Key Performance Indicators

Governmental Fund Sustainability

The Governmental Fund Sustainability reflects the difference between TCOMM’s revenues and expenditures. A positive percentage shows that revenues are sufficient to cover expenditures. The standard published by the WA State Auditor’s Office is 0.0%. Note: In previous years, the WA State Auditor’s Office used Operating Margin as an Indicator instead of Governmental Fund Sustainability.

$$\text{Governmental Fund Sustainability} = \frac{\text{Revenues} - (\text{Expenditures} + \text{Debt Service})}{\text{Revenues}}$$



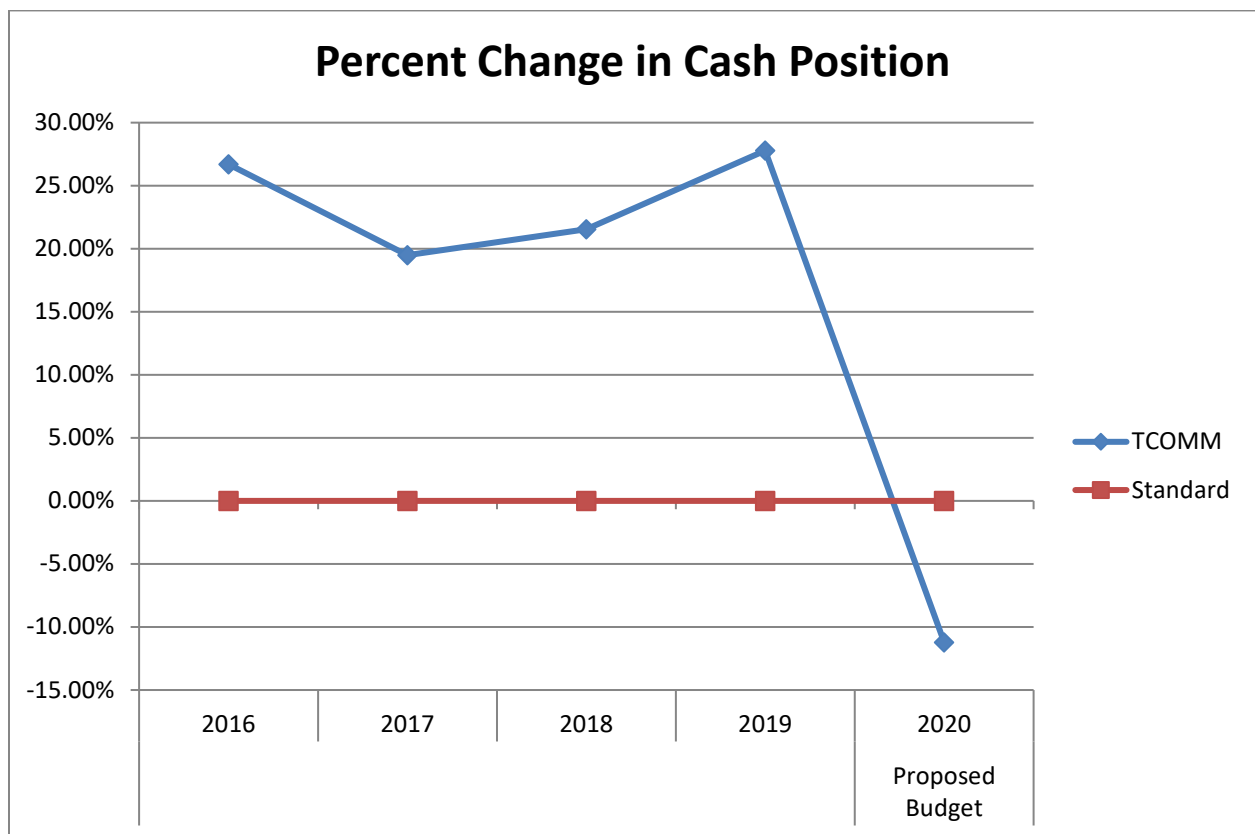
Explanation: The initial lease payment for the TCERN project is due in December 2020, which substantially increases expenditures for the year. The revenue also impacts this chart in that receipts of the additional 1/10th percent of emergency communications sales/use tax are not realized until the end of June. There are only seven months of additional revenue to offset the additional expense.

Key Performance Indicators (cont.)

Change in Cash Position

The Change in Cash Position reports the change between the current ending cash balance and the previous year's ending cash balance. The standard published by the WA State Auditor's Office is 0.0%.

$$\text{Change in Cash Position} = \frac{(\text{Ending Cash Balance} - \text{Beginning Cash Balance})}{\text{Beginning Cash Balance}}$$



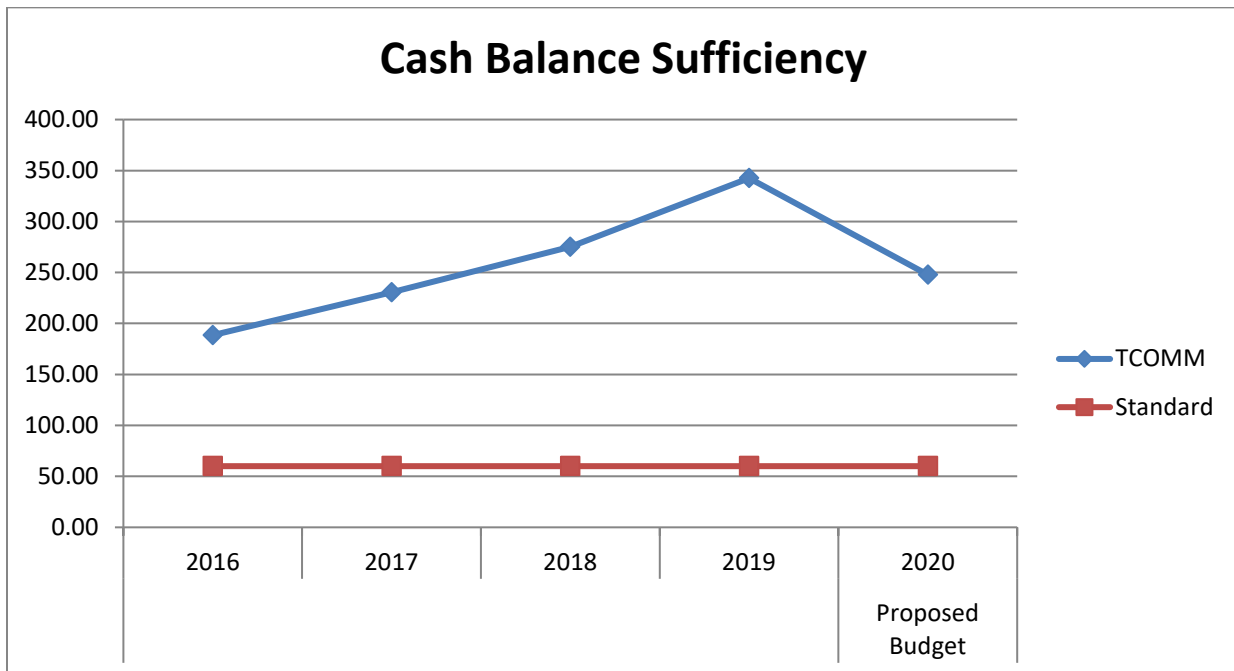
Explanation: The effect of increased expenditures and only half a year of additional revenue causes the ending fund balance relative percentage to decrease year over year. Also note that the 2019 year was the highest percentage increase since this measure began in 2016.

Key Performance Indicators (cont.)

Cash Balance Sufficiency

Cash Balance Sufficiency calculates the number of days the current cash balance would be able to cover operating expenditures. The standard published by the WA State Auditor's Office is a cash balance sufficiency greater or equal to 60 days.

$$\text{Days Covered} = \frac{\text{Ending Cash Balance}}{\frac{(\text{Operating expenditures} + \text{Debt Service})}{365 \text{ days}}}$$



Explanation: The delta between cash balance and operating and debt service is impacted by the TCERN lease payment and the less than full year of additional revenue receipts.

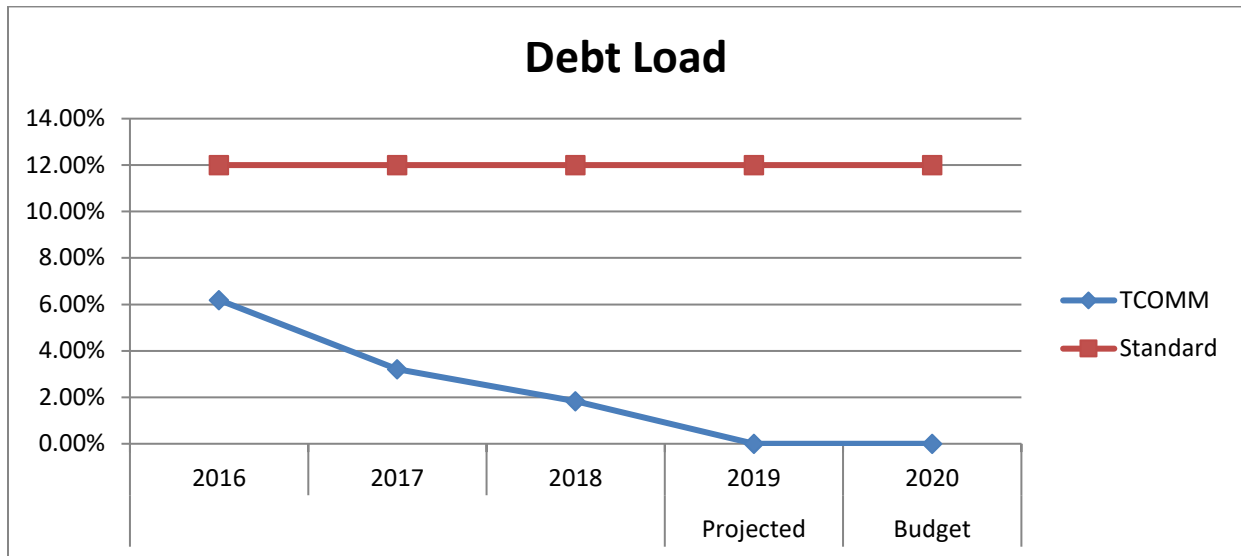
Key Performance Indicators (cont.)

Debt Load

The Debt Load ratio compares the debt service payments to revenues. Higher ratios represent less flexibility for future spending needs. The standard published by the WA State Auditor's Office is a debt load ratio less than or equal to 12%.

$$\text{Debt Load} = \frac{(\text{Debt Principal} + \text{Interest})}{\text{Operating Revenue}}$$

2020 Budgeted Debt Load = 0.00%





A RESOLUTION authorizing a 2020 Budget Amendment Effective May 6, 2020.

WHEREAS, the fee for the Proposition 1 Election costs was budgeted in 2019, but the invoice was received and paid for during the 2020 budget year for a total of \$85,000;

WHEREAS, the equipment lease contract for Motorola Solutions, Inc. signed in December 2019 requires an annual payment for a total of \$2,740,400;

WHEREAS, the ADCOMM Engineering, LLC contract for project management approved by the Administration Board in October 2019, will cost \$101,000 over the original budgeted amount;

WHEREAS, the Radio Systems Assistant position created in February 2020 is a 0.75 FTE, resulting in an increase of \$13,527;

WHEREAS, the cost to provide office infrastructure at the Blue Mountain Radio Systems Department location, which includes furniture and equipment for the new Radio Systems Department positions is a total of \$36,670;

WHEREAS, the contract with Solacom Technologies, Inc. for the replacement of the NG911 telephone system will cost \$203,680 over the original budgeted amount, and the federal grant revenue is expected to be \$24,460 less than the original amount;

WHEREAS, the labor union contracts approved by the Administration Board in December 2019, will cost an estimated \$106,238 over the original budgeted amount;

THEREFORE, be it resolved by the Administration Board of Thurston 911 Communications, that the 2020 budget is amended as stated above.

Administration Board Chair

Date Signed

Administrative Board Representative

Date Signed



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THURSTON 911 COMMUNICATIONS
ADMINISTRATION BOARD STAFF REPORT
2020

TO: TCOMM ADMINISTRATION BOARD

DATE: May 6, 2020

SUBJECT: CO-LOCATION AND SERVICE LEVEL AGREEMENT DEFAULT

FROM: Keith Flewelling, Executive Director

Objective:

Receive Administration Board direction regarding contract and agreement payment terms default by 3 Cities, Inc. (KXXO).

Background:

KXXO renewed a co-location lease and a service level agreement with TCOMM911 in March 2019. The co-location lease is for antenna and equipment located on the TCOMM911 tower at Crawford Mountain. The service level agreement is for a telephony (T-1) circuit provisioned on TCOMM911 microwave system connecting Crawford Mountain to KXXO main facility.

Annual co-location fee = \$16,282 + 5% annual escalator

Lease Terms = monthly payments; late fees of three percent (3%) of monthly fee assessed 30 days after invoice; any amounts past due for more than 30 days shall bear an interest rate of five percent (5%) per year.

Monthly T-1 fees = \$600 + 5% annual escalator

Agreement Terms = monthly payments; late fees of three percent (3%) of monthly fee assessed 30 days after invoice; any amounts past due for more than 30 days shall bear an interest rate of five percent (5%) per year.

The T-1 circuit does not involve any pass-through costs and only affects TCOMM911 incrementally for maintenance of the site and microwave system. However, the co-location lease has a pass-through cost for TCOMM911 to the Department of Natural Resources (DNR) for the land lease on which the tower is located. The DNR land lease is calculated by the number and type of equipment located on the tower.

Both contracts have terms that permit the lessor to terminate the agreements for failure to perform in accordance with the covenants and conditions.

Current Situation:

The lessee has a history of lagging behind on payments – usually not more than two or three months. The lessee has not paid the monthly fees for either the service level agreement or the co-location lease for

January, February, March, and April. Before TCOMM911 took any actions, the lessee contacted the Executive Director with notification of their inability to pay due to lost and reduced revenues caused by the COVID-19 pandemic.

As of April 16, 2020, the outstanding balance due is \$9,779.13 which includes both contracts for the months of January – April 2020.

Funding:

TCOMM911 pays DNR annually for the land lease at Crawford Mountain which has already been paid for 2020.

Action Requested:

Determine how the agency should respond to these defaults of contract terms.