

SERS – SNOHOMISH COUNTY 911 MERGER STEERING COMMITTEE

Meeting 9

Wednesday, May 30, 2018

Location: Executive Conference Room, 6th Floor - Snohomish County Admin West

Time: 1:00 – 3:00 PM

Proposed Agenda

1. Welcome/Review of Today's Agenda (*2 min.*) Mayor Nehring
2. Approval of Meeting Summary from May 14/Meeting 8 (*3 min.*) Mayor Nehring
3. Communications and Other Updates (*15 min.*) All
 - Staff assurances update
 - Vendor discussions update
 - County Council financing deliberations update
 - Other
4. **Discussion and Potential Action item:** Review of organizational structure Options, pros and cons (*1 hour*) All
5. **Presentation and Discussion, Potential Action item:** Recommended Timing for Merger Decision, and Merger Implementation (30 min.) Karen Reed
6. **Discussion:** Joint Boards Agenda/Planning. (*5 min.*) Mayor Nehring
7. Next Agenda
 - *Joint Boards de-brief/follow-up*
 - *Merger Plan*
 - *Articles and ILA Amendments—based on grafting existing SERS rates onto SNO911 rate formula as additional component*
8. Adjourn

Future committee meeting dates/times/locations

- Joint Board Meeting: Thursday, June 7, 2018, 8:30 AM – 10:00 AM, Edmonds City Hall
- Steering Committee: Monday, June 11, Snohomish County, Room 6A03
- Steering Committee: Monday, June 25, Snohomish County, Room 6A02

SERS-SNO911 Merger Steering Committee

Meeting Summary for May 14, 2018/ 2:00 to 4:00 p.m.

Location: Snohomish County Conference Room - 6th Floor Admin East

Note: *Follow-up action items are noted in italics.* Decisions are underlined.

Meeting Attendance:

Committee Members					
Jon Nehring		Bryan Stanifer	x	John Dyer	
Pam Pruitt	x	Tom Mesaros	x	Joanie Fadden (for Ty Trenary)	
Ty Trenary	x				
Guests					
Susan Neely	x	Brian Haseleu	x	Dick Schrock	x
Staff Support Team					
Ralph Krusey	x	Kurt Mills	x	Karen Reed	x
Brad Steiner	x	Terry Peterson	x	Sharon Brendle (notetaker)	x

1. **Welcome & Review of Today's Agenda:** Tom Mesaros called the meeting to order at 2:02 p.m.
2. **Approval of Meeting Summary:** Bryan Stanifer moved to approve the meeting summary of May 7th. The motion was seconded by Ty Trenary, and approved unanimously.
3. **Communications and Other Updates.**
 - **Staff Assurances Update.** Brad Steiner reported the letter is still in the hands of the personnel committees. Kurt added that during the SNO911 Personnel Committee last week, they questioned whether the letter was even necessary, and thought that the current draft may cause more concern than assurances. The SNO911 Personnel Committee will bring this issue to their board for further discussion and direction. Additional discussion followed:
 - If a letter doesn't go out, it sends the wrong message.
 - Maybe the letter should just include a status update.
 - Brad shared that after speaking to his staff, there was consensus that the letter didn't mean very much to them.
 - **Vendor Discussions Update:** Brad confirmed that the Motorola equipment demonstration went well. Upcoming discussions to focus on coverage issues, following up on concerns of Sheriff's Department. Brad is confident that he can design a product that will work with the needs of the agencies and fit within the budget.
 - **County Council financing deliberations update.** The next meeting is scheduled for May 29th at 9:00 AM.
 - **Action at last SERS Board Meeting.** Pam reported on action that was taken at their last meeting and provided a written statement (reproduced in full below).

During the SERS board meeting on May 3rd, the Board present unanimously voted for the SERS Steering Committee Team to include, in any proposed merger plan, the following statement:

“Should a merger with Snohomish County 911 and SERS go forward, SERS recommends for due diligence, a nationwide search for the CEO position should be conducted to meet the needs of the merged emergency communications organization.”

Pam noted that Jon Nehring and the representative from the City of Mountlake Terrace were not in attendance at the May 3rd meeting.

4. **Due Diligence Report.** Terry reviewed updates to the draft report shared at the previous committee meeting. He recommends bringing this forward as a draft to the Joint Boards, until the SNO911 Board can make decisions on benefits and health care that are pending. This version will be called Draft 1. Pam asked about the SERS reserves, currently at \$1.5 million. In response, Brian said that the current reserves would be used to extend the life of the existing system in the event of a failure. Ty asked if SERS was missing any revenue on any contracts. Ralph and Eva have been reviewing the current contracts and leases. Brad said that a contract management person would not only manage current agreements and leases, but look for revenue opportunities, especially with the subleases. Terry explained that there is one lease agreement with the City of Everett that doesn't allow for any assignment of interest.

Karen led a discussion on which issues the Committee believes need to be resolved prior to a merger vote. Ideas and next steps noted included:

- Existing lease on SERS facility in Marysville. There hasn't been a legal review yet or any inquiry with the landlord. Ty recommended reaching out to the landlord to see if an arrangement can be made for getting out of the lease. *Next steps: Brad and Ralph will work on this issue. Ty offered to attend a meeting since he has a history of working with the landlord.*
- Everett Tower Site Lease. SERS' attorney, Brad Cattle, may need to review this lease. *Next steps: SERS/Brad will initiate this inquiry with the City of Everett.*
- Full Audit - this will be covered after merger.
- No litigation letter from SNO911 legal counsel- *in progress*
- Benefit Comparison Study - *in progress*. Once SNO911 Board makes decisions, staff can generally assess the cost impact.
- Social Security and Salary Changes - Brad has informed his staff that the merged agency will not be contributing to Social Security. SNO911 Board has not made a determination on how they will merge their benefit plan for non-represented employees.

- Transfer of FCC licenses. Brad is confident this is not an issue. A simple assignment of licenses will be needed. *Next steps: Brad will contact attorney Alan Tilles to draft a letter on this.*
 - Radio Project. Brad said that Alan Tilles had reviewed and approved the negotiation plan. It includes SNO911 as an informed party, so this issue will be addressed.
5. **Review of 5-year SERS pro forma budget action to forward as information item to Joint Boards.** Terry said that there's only rough projections so far. He knows that some Board members are expecting to see cost savings, while others are expecting to see efficiencies. Tom Mesaros said that the merger is more about improvements to operations. If there's going to be operational savings, they should be listed. It's important for the Committee to be unified in their presentation to the Joint Boards.

Bryan Stanifer moved to bring the Due Diligence Report and the 5-year SERS Pro Forma Budget forward as an informational briefing for discussion purposes at the SERS-SNO911 Joint Board meeting. The motion was seconded by Ty Trenary and approved unanimously.

6. **Recommendations to Joint Boards on Organizational Structure Policy.** Karen provided a cleaned up version of this proposed policy statement.

Bryan Stanifer moved to recommend the approval of the Organizational Structure Policy. The motion was seconded by Ty Trenary and passed unanimously.

7. **Discussion and Potential Action Item. Review of organizational structure options, pros and cons.** Terry provided 4 organizational structure options, along with a handout listing pros and cons of each. He, Kurt and Brad are not in agreement about the best path, and the "pros" and "cons" document shares their differing perspectives. Following the initial review of the 4 options, there was a consensus to set Option 1 aside since it was not consistent with the proposed policy direction. Councilmember Mesaros led a discussion, focusing on Options 2 and 4:

QUESTIONS AND DISCUSSION POINTS ON OPTION 2:

- Make 4 divisions?
- Is a Deputy Director needed?
- Should the Executive Director receive direct reports? Should the HR/Finance Director report to the Deputy Director or the Director?
- Pam recommended a Prism Study through ICMA, an independent examination (\$40K) before deciding on option

QUESTIONS AND DISCUSSION POINTS ON OPTION 4:

- Ideal if we were starting over
- We could evolve to this as PSAP organization charts have evolved
- Location challenge - IT split
- Assumes 3 competitive application processes for tech leadership positions
- Disruption
- Move Radio Project to directly report to CTO

ADDITIONAL QUESTIONS:

- Risk of losing/replacing IT staff/SERS staff
- Phasing start with Option 2 and move to Option 4

Councilmember Mesaros suggested that the options should be reflected upon by members over the next week or two and that the committee should finish up discussion and put this on the next agenda for further discussion and possible action.

8. Next Agenda.

- **Follow up with Joint Boards.** The date of the next Joint Board Meeting is still being determined. It was decided that Tom Mesaros will give a report on the Due Diligence and Pro-Forma Budget. The organizational structure option will not be brought forward at this time, but will be a topic of discussion at the next committee meeting scheduled for May 30th.
- Merger Timing Options - to be discussed on May 30th.

9. Closing Comments / Adjourn. The meeting was adjourned at 3:47 p.m.

Future meeting dates/times/location:

- Wednesday, May 30, 1-3 PM 6th Floor, Executive Conference Room
- Monday, June 11, 2-4 PM County Admin East Building, 6th Floor, Room 6A03
- Monday, June 25, 2-4 PM County Admin East Building, 6th Floor, Room 6A02
- Monday, July 9, 2-4 PM, 4th Floor, County Courthouse, Kinard Room
- Monday, July 23, 2-4 PM, 4th Floor, County Courthouse, Kinard Room

SERS-SNO911 Merger Steering Committee

Proposed Policy Goals to Serve as Guidance in Recommending an Organizational Chart for a Merged Agency

The following policy goals, approved by Merger Steering Committee on May 14, 2018, are recommended to serve as guidance in developing the organization chart / reporting structure for a merged SERS-SNO911 agency.

The organization chart / reporting structure should:

1. Have clear lines of responsibility.

In the view of the merger steering committee, this means:

- a. There will be 1 Chief Executive Officer of the Agency.
- b. Each employee shall have no more than 1 person to whom they directly report (excepting the CEO who reports to the Board).

2. Promote a high functioning agency.

In the view of the merger steering committee, this means:

- a. Where there are clear best practices in terms of organizational structure, they should be applied.
- b. The structure should be organized by function.
- c. Common operations should be integrated, rather than siloed, where it will improve operational efficiency and improve service levels to the public (examples: payroll, accounts payable, human resources, finance, common IT platforms (such as email, cell phones and laptops should be managed from one operational group)).
- d. Managers should have a reasonable span of control (not an excessive number of direct reports—that number will differ depending on the management position)

3. Ensure adequate internal oversight and management control.

4. Be designed without regard to the current individuals serving in leadership capacity at the two agencies: these people may change over time. The focus should instead be on function of the positions and the overall organizational structure.

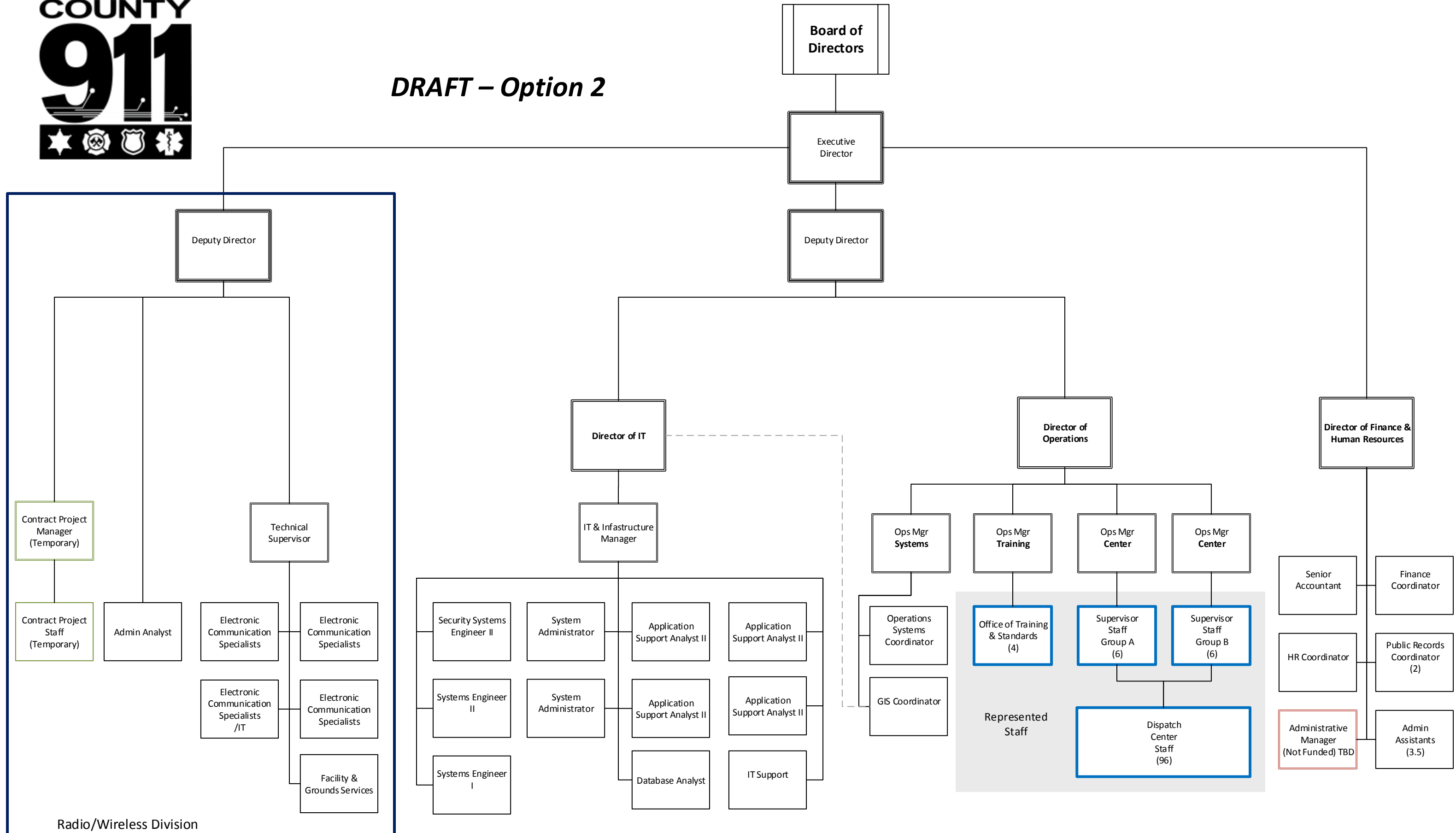
5. Reflect the importance of both the PSAP operation and the radio system that supports it.

In the view of the merger steering committee, this means:

- a. The executive director of radio system operations formerly situated within SERS should report directly to the CEO of the merged agency.

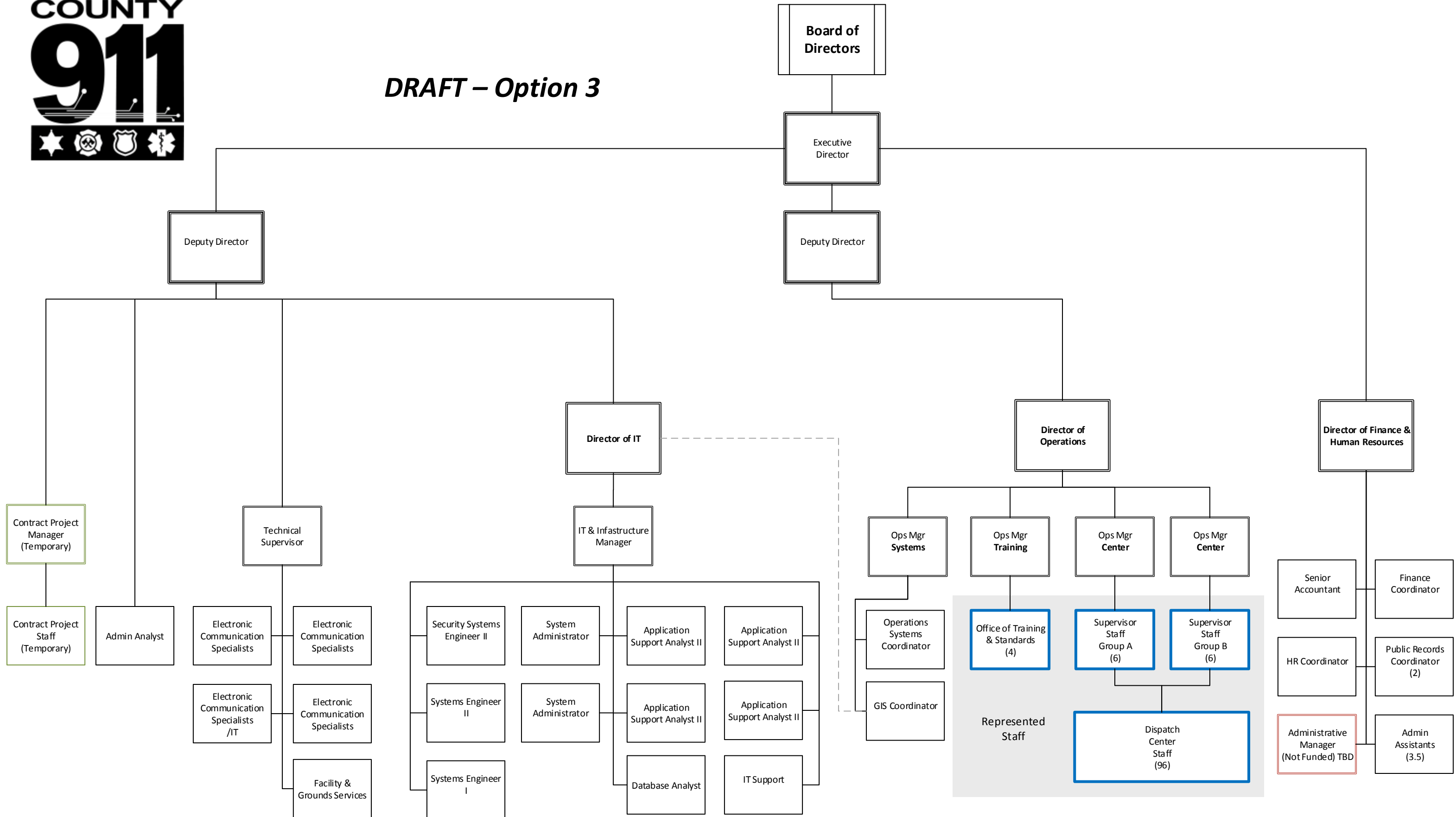


DRAFT – Option 2



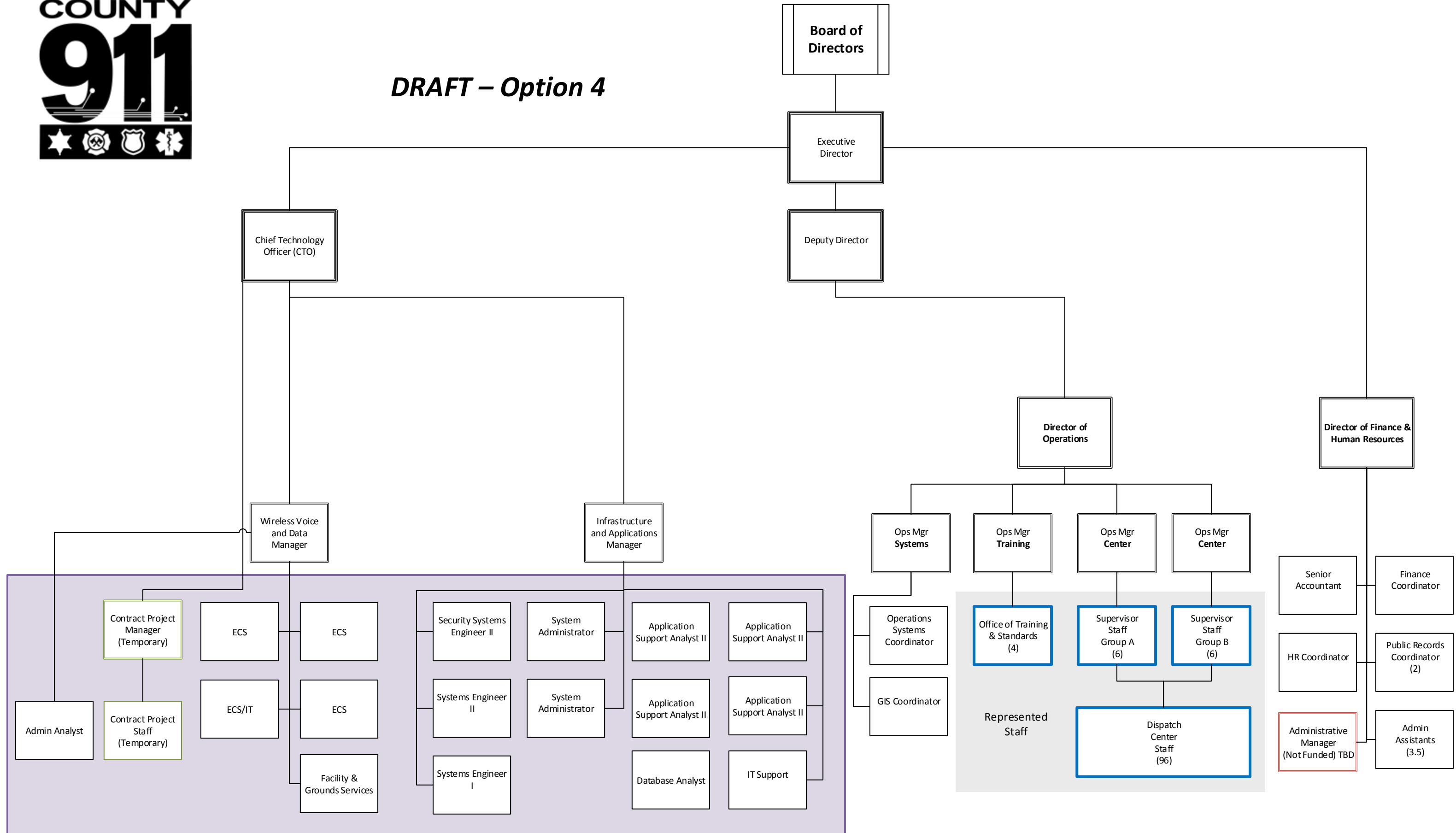


DRAFT – Option 3





DRAFT – Option 4



REVIEW OF ORGANIZATIONAL STRUCTURES PRESENTED (Whiteboard notes from 5-14):

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ADDITIONAL QUESTIONS:

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SERS –SNO911 Merger Timing Options

- The decision to merge can happen several months before the merger is legally effective.
- Transition issues are relatively few, so the time from decision to effective date can be 2-3 months. **[confirm]**

Merger Decision			
	July 2018	November/December 2018	March 2019
Pros	<ul style="list-style-type: none"> • Soonest the Board is likely to have all the legal documentation to review • Can share the decision as part of the public education on ballot measure. 	<ul style="list-style-type: none"> • Ballot measure outcome known (not sure this is a positive or negative) 	
Cons			<ul style="list-style-type: none"> • Loss of momentum
Merger Implementation Date (legal effective date of merger)			
	August –October 2018	January 1, 2019	June 1, 2019
Pros	<ul style="list-style-type: none"> • Fastest timeframe practicable. • Favored by most board respondents, citing benefits to sales tax measure ballot effort-- "911" agency visibility to voters 	<ul style="list-style-type: none"> • Mid-range timeframe • Avoids mid-year closing of books 	<ul style="list-style-type: none"> • Allows another year for SNO911 consolidation process to work through
Cons	<ul style="list-style-type: none"> • SNO911 still working through the consolidation process 		<ul style="list-style-type: none"> • Mid-year book closing for SERS • Loss of momentum

SERS –SNO911 Joint Board Meeting on Merger

Thursday, June 7, 2018, 8:30 AM – 10:00 AM, Edmonds City Hall

Proposed Agenda

1. Call to Order and Introductions (*5 min.*) Chief Steve Guptill (Chair, SNO911 Board) and Mayor Nehring (Chair SERS Board)
2. Review and Approval of Agenda (*2 min.*) Mayor Nehring
3. *Presentation/Discussion:* Draft Merger Due Diligence Report and SERS 5-Year Pro Forma Budget (*40 min.*) Terry Peterson
4. *Discussion/Potential Action Item:* Proposed Policy Direction on Organizational Structure for Merged Agency (*20 min.*) Mayor Nehring
5. **[TBD]** *Discussion/Potential Action:* Merger Committee Recommended organizational chart. (*35 min.*) ?
6. **[TBD]** *Discussion/Potential Action:* Merger Timeline Options?
7. Next steps (*3 min.*)
 - o Complete Due Diligence Progress Report
 - o Action on Timeline Options
 - o Decision to proceed by Joint Boards
 - o Legal document drafting
8. Roundtable / Closing Comments (*15 min.*)
9. Potential Executive Session
10. Adjourn