



MEMORANDUM

TO: GRANT COUNTY COURT
FROM: NICHOLAS GREEN, JOHN DAY CITY MANAGER
SUBJECT: PROPOSAL FOR NEW COST SHARING AGREEMENT FOR 9-1-1 SERVICES
DATE: FEBRUARY 16, 2017
CC: CITY RECORDERS FOR PRAIRIE CITY, CANYON CITY, MOUNT VERNON, SENECA, LONG CREEK, DAYVILLE, MONUMENT AND GRANITE

EXECUTIVE SUMMARY

The State 9-1-1 tax only covers a portion of the cost to provide dispatch services for Grant County. The City of John Day and the County have funded the deficit for each city in the past. However, due to the PERS impacts of the Moro decision and the rising cost to operate and maintain the 9-1-1 center, John Day can no longer afford to subsidize the budget deficit. We are asking each city to enter into a three-year agreement to pay for the cost of dispatch services for their respective residents until the 2019 General Assembly can pass comprehensive 9-1-1 tax reform.

BACKGROUND

There is a growing consensus that the current 9-1-1 tax of 75 cents per telecommunications line needs to increase. The last tax increase occurred in 1995.

The John Day City Council and City Manager are actively lobbying the state legislature for revenue to bridge-fund the Emergency Communications Center to the 2019 biennium. This will buy time to evaluate the financial sustainability of a 9-1-1 dispatch center in Grant County. It will also allow time for supporting organizations to form a task force to propose a bill in 2019 to increase 9-1-1 tax revenue.

In addition to individual cities and counties, at least four associations are advocating for 9-1-1 tax reform: the League of Oregon Cities (LOC), Association of Oregon Counties (AOC), Association of Public-Safety Communications Officials (APCO) and the National Emergency Number Association (NENA). A task force with members from each agency proposing comprehensive 9-1-1 tax reform will likely succeed in 2019.

INTERIM FUNDING STRATEGY

In the interim, the County needs to ensure it can provide 9-1-1 services for all of its residents. For FY17-18, the projected cost to operate the Emergency Communications Center is \$492,115. Approximately \$270,000 of this cost will come from state tax revenue. John Day will also invoice \$22,921 to the Blue Mountain Hospital and National Forest Service as primary users. Local revenue sources must cover the deficit of \$199,194 for FY17-18 and any future year budget deficits. To address this concern, the City of John Day is proposing a three-year interagency cost sharing agreement based on the per capita cost of providing dispatch services, as shown in Table 1.

Jurisdiction	Population	Current Revenue	Budget Deficit
John Day	1,735	\$63,219	\$46,640
Prairie City	910	\$33,158	\$24,462
Canyon City	705	\$25,688	\$18,952
Mt Vernon	525	\$19,130	\$14,113
Seneca	215	\$7,834	\$5,780
Long Creek	195	\$7,105	\$5,242
Dayville	150	\$5,466	\$4,032
Monument	130	\$4,737	\$3,495
Granite	40	\$1,457	\$1,075
County (Unincorporated)	2,805	\$102,206	\$75,403
Total Population (2016)	7,410	\$270,000	\$199,194
<i>Per capita deficit</i>			\$26.88

Table 1. FY17-18 Funding Projection for Grant County 9-1-1 Services

LONG-TERM FUNDING STRATEGY

John Day is considering several options for funding dispatch services beyond FY20-21.

Option 1: Increased 9-1-1 tax. The cost per jurisdiction will decrease significantly if the State passes comprehensive 9-1-1 tax reform in the 2019 biennium. For example, a 75-cent increase to the 9-1-1 tax would net Grant County an additional \$270,000 in FY17, resulting in a budget surplus of \$70,806 and eliminating the cost to local tax jurisdictions.

Option 2: Regionalize 9-1-1. Grant County can evaluate the technical feasibility of merging its 9-1-1 services into a regional service by FY20-21, either by insourcing an adjacent county or outsourcing dispatch services to a regional provider. This option will require testing and improving long-haul radio relays to ensure communications coverage for law enforcement personnel and emergency responders. It will also require negotiating agreements with external agencies for dispatch services. Finally, service quality could diminish due to communications issues and critical loss of time from using dispatchers without local knowledge of the county and its terrain.

Option 3: Public Safety Bond. The County can place a bond on the ballot and request voter approval to fund the budget deficit in emergency communications, with a sunset provision that allows the bond to automatically reduce or expire in the event of increased state tax revenue.

REQUEST FOR FUNDING

John Day requests each city pay for their portion of the 9-1-1 budget deficit in Table 1.

Any net working capital that remains at the end of FY17-18 will automatically accrue to the following fiscal year, reducing the cities' cost. Any state revenue received will reduce the cost for each jurisdiction equally based on the per capita cost savings.