

MINUTES OF THE REGULAR JOINT MEETING OF THE NORTHWEST CENTRAL DISPATCH BOARD OF DIRECTORS AND THE NORTHWEST CENTRAL 9-1-1 SYSTEM BOARD, HELD IN THE NORTHWEST CENTRAL DISPATCH SYSTEM TRAINING CENTER, 1975 EAST DAVIS STREET, ARLINGTON HEIGHTS, COOK COUNTY, ILLINOIS, ON THURSDAY, SEPTEMBER 15, 2016.

CALL TO ORDER

Chairman Bragg called the meeting to order at 9:00 A.M.

MEMBERS ATTENDING

Chief Ken Koeppen for Randy Recklaus (Village Manager Arlington Heights), Dane Bragg (Village Manager Buffalo Grove), Ray Rummel (Village Manager Elk Grove Village), Jim Norris (Village Manager Hoffman Estates), Sam Trakas (Village Administrator Inverness), Michael Cassady (Village Manager Mount Prospect), Reid Ottesen (Village Manager Palatine), Joe Wade (City Administrator Prospect Heights), Barry Krumstok (City Manager Rolling Meadows), Brian Townsend (Village Manager Schaumburg), Chief Chris Clark for Sharon Caddigan (Village Manager Streamwood).

A quorum was present

MEMBERS ABSENT

NONE

ALSO ATTENDING

Michael Baker (Buffalo Grove Fire Chief), Deputy Chief Mike Gaspari for Steve Schmidt (Elk Grove Village Police Chief), Bob Haas (Inverness Police Chief), Ted Bos (Hoffman Estates Police Chief), Jeff Jorian (Hoffman Estates Fire Chief), Deputy Chief Tim Griffin for Tim Janowick (Mount Prospect Police Chief), Brian Lambel (Mount Prospect Fire Chief), Al Stoeckel (Palatine Police Chief), Scott Anderson (Palatine Fire Chief), Scott Franzgrote (Rolling Meadows Fire Chief), Dave Schumann (Schaumburg Fire Chief), Ed Valente (Streamwood Police Chief).

NWCDS PERSONNEL

John Ferraro, Assistant Executive Director; Kevin Diluia, Assistant Director-Operations; Barb DeWolf, HR / Finance Manager.

OTHERS ATTENDING

Jim Kreher (Barrington Countryside FPD Acting Chief), Don Wenschlof (Barrington Countryside FPD Deputy Chief)

PUBLIC COMMENT

None

CONSENT AGENDA

Moved by Mr. Krumstok, seconded by Mr. Townsend to accept the July 21, 2016 Joint Meeting Minutes (Regular and Closed), and the financial reports, which include the July and August Budget Summaries and the NWC and NWC911 System Check Registers for July (NWC = \$785,708.80, NWC911=\$952,856.23) and August 2016 (NWC = \$ 805,523.98, NWC911 = \$354,422.60), the Executive Director's Report, the Assistant Director-Operations Report and the Assistant Director-Technical Services Report. *Voice Vote: Motion Carried.*

EXECUTIVE DIRECTOR'S UPDATE – John Ferraro

CAD

The agreement with ID Networks has not yet been finalized, but we are expecting that to be complete within the next two (2) days. With the agreement, we will end the relationship with ID Networks, effective January 1, 2019.

The Project Manager Grant money will not be released until possibly after the election, pushing our Project Manager position back several months. Because of this, it is now time to establish a CAD Committee made up of stakeholders who are interested in this project and willing to commit the time needed to select and implement the right CAD, RMS, and Mobile Data systems for NWCDS moving forward.

Assistant Director – Support Services

Rocella Rodgers has resigned her position as Assistant Director – Support Services, effective September 1, 2016. The recruitment to fill the position is underway with advertisements placed on the Blue Line website, NWCDS website, National NENA website, Illinois APCO/NENA website, Facebook and LinkedIn. The job announcement was also sent in an email blast to over four hundred 9-1-1 professionals. Internal candidates were also encouraged to apply. Eighteen (18) people, including four (4) internal candidates have submitted their interest.

The hiring process for the position will involve cover letter/resume, a phone interview, a panel interview, a written exercise, and a leadership assessment with Dr. Dennis Selvig. After a conditional offer of employment, a full police background investigation, medical screening, and psychological testing will be completed.

Upcoming IPSTA (Illinois 9-1-1 Conference)

The Illinois 9-1-1 Conference is scheduled for November 6-9, 2016. Operations Manager Sue Cooper won the award for Supervisor of the Year and she will be attending. Additionally, Kevin Diluia, Assistant Director – Operations, was chosen to receive the Gregg Riddle Memorial Scholarship, which pays for the conference fee, hotel, and expenses. Kevin was chosen based on his longevity in the industry and APCO committee roles.

Chairman Bragg extended Congratulations to Sue Cooper from the Board.

9-1-1 Surcharge Money

The average monthly remittance received from the state for the 9-1-1 surcharges totals approximately \$475,554. While it has been fluctuating, John feels that it will level off to be about \$500,000/month. John reminded everyone that we no longer pay the approximately \$600,000 in line surcharges. The State's estimated amount of incoming surcharges was actually predicted to be higher and John has asked Cindy Barbera-Brelle from the state to look into this.

NEW BUSINESS

Calendar Year 2017 Budget – NWCDS

The budget was reviewed on August 19th, 2016, by the Budget Sub-Committee composed of Chiefs Janowick, Anderson, and Baker. Their comments and suggestions were extremely helpful with the preparation of the budget. After much discussion, the budget was approved by the Executive Committee on September 7, 2016.

The proposed CY2017 budget is a 3.31% increase over the CY2016 Budget. The operations budget is 4.97% of the total budget and the personnel budget is 95.03% of the total budget. The personnel expenses are increasing by 4.05% and the operational expenses are decreasing by 2.29%. The Capital Reserve account for the 2017 Budget is funded at a rate of 10% (\$77,770) from alarm revenue income, which is a slight increase of \$972 from 2016's \$76,798.

EXPENSES

Salaries

A 4.5% salary increase is proposed for all administrative positions. There are several reasons for this proposal:

- Over the last six (6) years, administrative positions received less than unionized employees received by contract, including a 0% raise in 2010/2011 and 2011/2012, and 1.25% in 2015.
- The gap between topped out Telecommunicator and entry level Operations Manager is 5%. Because the small gap between topped out Telecommunicator and entry level Operations Manager is only 5%, many qualified candidates are not putting in for available Operations Manager positions. For example, for the last Operations Manager available position, seven (7) candidates submitted their interest in the position out of approximately fifty-five (55) eligible TC's. While we are very pleased with the interested candidates and our selection, the process would have benefitted from more candidates.
- The administrative wage increase of 4.5% has an impact of \$14,623 or about .2% over the impact of an increase of 2.5%.
- DU-COMM has a comparable staff size with sixty-six (66) Telecommunicators (actual) in 2016. The top out pay for their Communications (Operations) Managers is \$105,186. The top out pay for NWCDS Operations Managers is \$95,155. The difference is more than 10.5%.
- The administrative staff has worked tirelessly over the last several years to keep NWCDS moving forward in a challenging environment. The

Telecommunicators are scheduled to receive a 2.25% increase according to the three (3) year union contract, which expires on December 31st, 2018. A vacancy factor of one (1) Telecommunicator 3 has been used. There are eight (8) Telecommunicator III positions budgeted, but only seven (7) positions will be funded to account for the comings and goings throughout the fiscal year.

Mr. Rummel suggested leaving the 4.5% requested raise in the budget for the time being, explaining that NWCDS is the premier dispatch agency in Illinois. He said that he would like to see a plan in place regarding wages. Mr. Bragg agreed, stating that while the Board is here to talk about the budget, he would like a subcommittee to discuss salaries and a wage plan. Mr. Townsend committed to working with Mr. Rummel along with Chief Baker on this subcommittee, with the intention to implement this plan before year's end.

Group Insurance

For the CY2017 budget, the health insurance costs are being reduced by .04%. The reduction occurred for two reasons: We entered the IBPC (NIHII sub-pool) with a relatively low 2.9% increase from 2016, and our employees contributions were raised from 11 to 13% according to the union contract.

IMRF

The employer contribution rate for 2017 is 11.97%, up 2.12% from 2016. The reason for this is likely due to multiple retirements in 2016.

REVENUE

TYCO Alarm Revenue

Alarm revenue is being remitted net of the offsetting expense for two (2) Telecommunicator 1s (\$189,675). Communities with alarms are credited 90% of the revenue generated from alarms installed in their community and monitored by the center, with subtracted expenses required to monitor the alarm board.

Palatine Rural and Barrington Countryside FPD Agreements

The budget is projected to increase 3.31%. As a result, Palatine Rural and Barrington Countryside contractual obligation was increased by the same percentage. A start date of March 1, 2017, was used to calculate the revenue received from Barrington Countryside.

9-1-1 Personnel Reimbursement

The makeup of personnel being reimbursed includes the Assistant Director-Support Services, Radio System Manager, CAD System Manager, 911/GIS Analyst, Radio Technician, three (3) Operations Managers, a Quality Assurance Specialist, three (3) Telecommunicator 4s, eight (8) Telecommunicator 3s and the Part-Time EMD Coordinator.

Workload Apportionment

The workload apportionment is determined by 50% telephone calls and 50% case assignments from the period of September of 2015 through August of 2016. Based on these numbers, Rolling Meadows saw the biggest increase from CY2016 at 3.83% and Mount Prospect saw the smallest increase at 2.22%.

CAPITAL PROJECTS

The CY2017 Capital Projects budget includes \$10,000 for the resurfacing and repair of the parking lot, \$32,274 for the HVAC humidifier replacement, and \$18,000 for an upgrade to the current Microsoft Office products.

Moved by Mr. Norris and seconded by Mr. Rummel to approve the Calendar Year 2017-NWCDS budget as presented.

Roll Call Vote: Motion Carried.

Roll Call Ayes: Chief Koeppen, Mr. Bragg, Mr. Rummel, Mr. Norris, Mr. Trakas, Mr. Cassady, Mr. Ottesen, Mr. Wade, Mr. Krumstok, Mr. Townsend, Chief Clark.

Nays: None

Calendar Year 2017 Budget – NWC911

NWCDS HR/Finance Manager Barb DeWolf explained that since the State took over in January, we are four (4) months behind in receiving 9-1-1 revenue, and the auditor will determine how to adjust this going forward. The Executive Committee and Budget Committee approved this budget with the proposed Operations Budget of 46.14% and Personnel Reimbursement costs account for 53.86% of the budget.

EXPENSES

Salaries Reimbursed

The makeup of personnel being reimbursed includes the Assistant Director-Technical Services, Radio System Manager, CAD System Manager, 911/GIS Analyst, Radio Technician, three (3) Operations Managers, Quality Assurance Specialist, three (3) Telecommunicator 4s, eight (8) Telecommunicator 3s and the Part-Time EMD Coordinator.

CAD and Mobile Data Maintenance

By agreement with ID Networks, the CAD and Mobile Data annual maintenance payments totaling approximately \$170,000 have been eliminated. This was placed in Reserves and has been factored into the budget.

Radio System Maintenance

The radio system maintenance for the Motorola System began in 2015. The payment for 2016 is \$604,349, which includes the maintenance and the port fee. With this port fee, NWCDS is receiving seventy-five (75) free Wave radio applications for use on smart phones.

CAPITAL PROJECTS

The 2017 Capital Projects budget includes the following large-scale projects:

- \$24,000 for UPS battery replacements
- \$44,000 for radio test equipment
- \$30,666 for the Ortho mapping flyover contract scheduled for this fall.

Moved by Mr. Norris and seconded by Mr. Rummel to approve the Calendar Year 2017-NWC911 budget as presented.

Roll Call Vote: Motion Carried.

Roll Call Ayes: Chief Koeppen, Mr. Bragg, Mr. Rummel, Mr. Norris, Mr. Trakas, Mr. Cassady, Mr. Ottesen, Mr. Wade, Mr. Krumstok, Mr. Townsend, Chief Clark.

Nays: None

NEW BUSINESS

RFP for Auditor

Sikich has completed the NWCDS and NWC911 audits by agreement for the last six (6) years. We released an RFP for the 2016 audit and beyond, and two (2) accounting firms responded – Sikich and Lauterbach and Amen, LLP.

Included in the meeting packet are the prices sheets for both firms. Lauterbach and Amen, LLP's price was more than \$2,500 less expensive for each of the years 2016, 2017, and 2018.

Recommendation

Because Lauterbach and Amen is a known firm in our area, and offered the services at a substantially lower price, the recommendation is to change to Lauterbach and Amen to complete the 2016, 2017, and 2018 audits.

Moved by Mr. Rummel and seconded by Mr. Cassady to approve the Executive Director to enter into a contract with Lauterbach and Amen at the price quoted for 2016, 2017, and 2018. *Voice Vote: Motion Carried.*

Annual Bylaws Review Subcommittee

The purpose of this subcommittee is to meet annually to review the existing bylaws. Board Action Volunteers are needed to participate on a bylaws review subcommittee. Mr. Recklaus will Chair this subcommittee, along with Mr. Trakas, Mr. Wade and Chief Anderson.

OLD BUSINESS

CAD FINANCING PLAN

At the last Board meeting, a request was made to present specific financing options, so that everyone could get an idea of the impact this would have on the NWCDS and NWC911 budgets. Because the new system will incorporate CAD, Records Management (RMS), and Mobile Data, a conservative cost estimate of \$4,000,000 will be used for the financing options.

NWCDS has an existing loan with Chase Bank for the radio system. The original loan amount in 2011 was for \$9,800,000; the interest on that loan was 3.027% with an annual payment of \$1,142,802. This was a ten (10) year loan that will be paid off in 2021, and there is no penalty for paying off the radio loan early.

We discussed refinancing this existing loan with Chase and adding five (5) years to the term. Chase is getting back to us on if this is a viable option for NWCDS. The interest rate may even go down, but we would also shop around refinancing the existing radio loan and adding an additional amount for the CAD system with other banks in addition to Chase. The goal would be a cost neutral impact to the budget by adding years to the existing radio loan. The CAD selection process will begin soon, but the first payments will more than likely not occur until 2018.

The following are three (3) options for financing this project:

- Option 1 – Finance the entire cost (\$4,000,000) of the project with Chase Bank. \$4,000,000 is less than we have already paid for the radio loan, so the loan payment should actually be less, which would not have an impact on our operational budget.
- Option 2 – Utilize \$1,000,000 from reserves and finance \$3,000,000 to purchase the new CAD system. Using this option, we would use \$500,000 from the NWCDS reserves and \$500,000 from the NWC911 reserves. Between the two budgets, we currently have approximately \$3,700,000 or 26.3% of operating expenses held in reserve (20.5% in NWCDS, 38.5% in NWC911). Using \$1,000,000 towards the purchase of the CAD system would leave us with 19.8% in reserve (15.7% for NWCDS, and 28.2% for NWC911).
- Option 3 – Utilize \$1,500,000 from reserves and finance \$2,500,000 to purchase the new CAD system. Using this option, we would use \$1,000,000 from the NWCDS reserves and \$500,000 from the NWC911 reserves. It is recommended not to take more than \$500,000 out of the NWC911 reserve, because that is still subject to changes based on 9-1-1 surcharge variation. Using \$1,000,000 from the NWCDS reserve would leave us with 10.8% of operating expenses held in reserve and 16.4% for the two budgets combined.

Recommendation

The recommendation is to proceed with Option 2. It uses money from reserves, but does not deplete us far below 20% overall. Financing approximately \$3,000,000 by refinancing the NWCDS radio loan with Chase and adding an additional five (5) years should not raise the loan payment, so it will not have an impact on the annual budget or community assessments.

DISCUSSION

Through discussions with Board members, Mr. Townsend suggested using money from Member Communities to finance the new CAD and this would be the breakdown of the costs per Member Community:

New CAD (Mobile Data, RMS) Cost Breakdown by Community

Total Estimated Cost = \$4,000,000

Community	Assessment Percentage CY2017	Community Cost
Arlington Heights	14.61%	\$584,400
Buffalo Grove	7.88%	\$315,200
Elk Grove Village	8.92%	\$356,800
Hoffman Estates	10.69%	\$427,600
Inverness	2.00%	\$80,000
Mount Prospect	9.57%	\$382,800
Palatine	10.72%	\$428,800
Prospect Heights	3.10%	\$124,000
Rolling Meadows	5.70%	\$228,000
Schaumburg	19.92%	\$796,800
Streamwood	6.89%	\$275,600
Total	100.00%	\$4,000,000

Total Estimated Cost = \$3,000,000 (\$1,000,000 down payment by NWCDS /NWC911 from reserves)

Community	Assessment Percentage CY2017	Community Cost
Arlington Heights	14.61%	\$438,300
Buffalo Grove	7.88%	\$236,400
Elk Grove Village	8.92%	\$267,600
Hoffman Estates	10.69%	\$320,700
Inverness	2.00%	\$60,000
Mount Prospect	9.57%	\$287,100
Palatine	10.72%	\$321,600
Prospect Heights	3.10%	\$93,000
Rolling Meadows	5.70%	\$171,000
Schaumburg	19.92%	\$597,600
Streamwood	6.89%	\$206,700
Total	100.00%	\$3,000,000

Mr. Ottesen is opposed to extending the Chase loan, but is in favor of putting one million dollars down and liked Mr. Townsend's idea. Payment would be due in the middle of 2018, at the earliest. Several member communities are able to pre-fund the project before or by the time payments are due.

Mr. Bragg stated that he is comfortable with the million dollar down payment, with the possibility of increasing that amount to 1.5 million, depending on how consistent the state is making its payments. Chief Clark is concerned that the Radio System loan will be extended beyond the life of the new CAD, but Barb DeWolf explained that Motorola assured us that the CAD has an open life due to the way it is structured.

Overall, the Board is comfortable with the million dollar down payment. Many Board members are comfortable with paying their additional assessment amounts to pay for the new CAD. Mr. Ottesen wanted to make sure both Palatine Rural's and Barrington Countryside's additional assessments are factored into their rates, due to Board member communities paying the loan in advance.

Mr. Norris asked if each member's portion of the Radio loan for mobiles can be paid early with no penalty and Barb confirmed that they could pay it early.

Consensus

Use \$1,000,000 from the reserves (\$500,000 from NWCDS, \$500,000 from NWC911) as a down payment and have our Member Communities pay their proportionate share of the new CAD System prior to when the first payment is due in mid to late 2018.

Barrington Countryside Fire Protection District

Meetings continue with Barrington Countryside Fire Protection District and members of the NWCDS staff. The focus so far has been on the CAD, radio, GIS, and telephone plans. The staffs of both organizations have worked well together. Meetings have been conducted both at NWCDS and Barrington Countryside Fire Protection District headquarters.

The cutover is planned for early 2017.

Motorola WAVE Application

Motorola gave a demonstration on the Wave application at NWCDS on August 22, 2016. The Motorola WAVE application is available for Droid and Apple devices. It acts as a portable radio, but on the cell phone via internet connection. It includes the ability to transmit on a selected talk group.

As part of the maintenance contract negotiations with Motorola, NWCDS is being provided seventy-five (75) free WAVE Applications, which is roughly about three (3) per police department and three (3) per fire department. If a NWCDS member

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department wants more than three (3) WAVE applications, they would have to pay about fifteen dollars (\$15) per device.

It is recommended that NWCDS would handle the billing for each department, with the \$15 per additional unit, per month. NWCDS will also send out waivers that must be filled out by every user, as well as a spreadsheet that shows how many applications each department wants.

Moved by Mr. Ottesen and seconded by Mr. Townsend to approve NWCDS moving forward with the WAVE application and to being a central billing point for all interested NWCDS agencies. *Voice Vote: Motion Carried.*

ADJOURNMENT

Moved by Mr. Rummel and seconded by Mr. Krumstok to adjourn the regular joint meeting of the Northwest Central Dispatch System and the Northwest Central 911 System Board. *Voice Vote: Motion Carried.* The meeting was adjourned at 9:58 am.