

STAFF REPORT

TO: HONORABLE MAYOR AND CITY COUNCIL
FROM: ROBERT PERRAULT, CITY MANAGER
SUBJECT: REPORT AND RECOMMENDATIONS REGARDING ALTERNATIVES FOR DISPATCH SERVICES

BACKGROUND

Fire services for the Cities of Grover Beach and Arroyo Grande and the Oceano Community Service District were consolidated in June of 2010 with the creation of the Five Cities Fire Authority. With the completion of consolidation, the Authority Board, in conjunction with the Councils and the District Board, has expressed interest in the possible consolidation of dispatch services. Principally, this interest has been sparked by a need to find a way to consolidate dispatch of fire services. At the present time, Arroyo Grande is providing fire dispatch, as is Grover Beach. In the case of Grover Beach, dispatch is being provided for both Grover Beach and the Oceano area. Consequently, the JPA Board and the respective Councils and District Board have directed staff to review dispatch consolidation options.

Staff has completed a review of the following options:

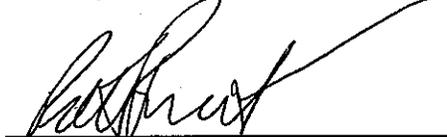
1. Consider contracting with the City of San Luis Obispo to provide dispatch services
2. Consider consolidating dispatch services at the City of Grover Beach
3. Consider consolidating dispatch services at the City of Arroyo Grande
4. As an alternative, consider consolidating fire dispatch at either Grover Beach or Arroyo Grande
5. Law enforcement consolidation opportunities, which includes the consolidation of dispatch services

As the Council will note from this report, there are significant advantages and disadvantages associated with each option. It is staff's recommendation that, should the Council wish to pursue the consolidation of dispatch services, then the Council should endorse full consolidation at the City of Grover Beach. As an alternative, the Council may wish to endorse the consolidation of just fire services dispatch at Grover Beach.

DISCUSSION

Initially, the Cities and the Community Service District retained the services of Dhillon Management Services to review joint dispatch opportunities. While the Dhillon report did not

APPROVED FOR FORWARDING



**ROBERT PERRAULT
CITY MANAGER**

Please Review for the Possibility of a Potential Conflict of Interest:

- | | |
|--|-----------------------------------|
| <input checked="" type="checkbox"/> None Identified by Staff | <input type="checkbox"/> Bright |
| <input type="checkbox"/> Shoals | <input type="checkbox"/> Molnar |
| <input type="checkbox"/> Nicolls | <input type="checkbox"/> Peterson |

Meeting Date: February 22, 2011

Agenda Item No. 7

lead to a single conclusive recommendation, it did provide a basis for future work. First and foremost, the Dhillon report noted that dispatch could be successfully consolidated under a contract with San Luis Obispo, or at either Grover Beach or Arroyo Grande. The Dhillon report assisted in the development of basic service parameters that could be used in a cost analysis and evaluation of proposals from San Luis Obispo and the Cities. These parameters recognized that in order to handle current call volume from all agencies including fire, as well as the capability to handle a major incident, the consolidated dispatch center should be staffed with at least two (2) dispatchers to cover shifts at least 65% of the time. Thus, the staffing component for a consolidated dispatch center would need to consist of eight (8) dispatchers and two (2) supervisors.

Staff has outlined the options as noted below. In reviewing these options, it is important to keep in mind the current costs for dispatch. The current cost for dispatch at Grover Beach, exclusive of furlough reductions and a grant-funded position, is **\$527,565**. The current cost for dispatch at Arroyo Grande is **\$549,391**. The combined current cost for dispatch at the two agencies is **\$1,076,956**.

San Luis Obispo Proposal

The City of San Luis Obispo has provided a proposal for providing dispatch services (*please see Attachment 1*). The proposal would meet service parameters. The new facility in San Luis Obispo would be used to provide service and offers plenty of technical redundancy. The remote location of the facility could impact service delivery within our communities. The proposal is, however, the *costliest* of the options reviewed. The annual ongoing and recurring cost for San Luis Obispo amounts to **\$1,929,701**. Additionally, there would be one-time costs of approximately **\$760,110**. Due to these cost estimates, this option is not recommended.

Consolidation at Grover Beach

This option would consolidate *all* dispatch services with dispatch staff located here in Grover Beach. All dispatch staff would become City of Grover Beach employees and would be paid in accordance with the City's salary rates and fringe benefit schedule. Dispatch services would be provided through the current dispatch facility, which has plenty of room and up to date equipment. The total cost for providing consolidated dispatch services is estimated at **\$922,017**. This amount represents a combined savings of slightly more than **\$150,000** or approximately **\$75,000** per agency. The amount of savings could be modified initially as a result of minor one-time costs associated with the transition. Staff is aware that this option may be difficult for Arroyo Grande to achieve, due to possible impacts to its internal organization.

Consolidation at Arroyo Grande

Dispatch consolidation could take place at Arroyo Grande. With this option, all Grover Beach employees would become City of Arroyo Grande employees and would be paid in accordance with the City of Arroyo Grande's salaries and schedule of fringe benefits. Overall personnel costs would be higher for this alternative than the Grover Beach option. All services would be provided through the Arroyo Grande dispatch center. The current facility is significantly smaller than the Grover Beach facility. Arroyo Grande is, however, reviewing options to transition all law enforcement services to a larger facility at a future date. The estimated cost of providing the consolidated services at Arroyo Grande is **\$983,043**. On the surface, this option would represent a combined savings of **\$ 93,913**. However, Grover Beach would likely incur additional

costs that would offset the savings. With the transfer of dispatch staff to Arroyo Grande, the number of total personnel working for the City of Grover Beach would drop below the minimum number of employees (50) required to remain as a "large group" for medical insurance purposes. This change would cost the City an estimated \$100,000 to \$116,000 on an annual basis. Due to this cost impact alone, this option is not recommended by staff.

Consolidation of Fire Dispatch Only

Consolidation of fire dispatch services could take place at either Grover Beach or Arroyo Grande. This option would resolve the issue of the Authority's services being provided by two separate entities. Should the decision to move all fire Calls For Services (or "CFS") to the Grover Beach dispatch center, the estimated costs would be shared by all three agencies of the Fire Authority. In 2010, the Fire Authority responded to approximately 4,000 CFS. If staff used the same method that was used to develop the contract for dispatch services for the Oceano Community Services District in 2008, the estimated rate would be \$24 per CFS. At a rate of \$24 per CFS, the total amount of projected costs for the Authority would be \$96,000. Broken down, Arroyo Grande's share would be \$43,200, costs for Grover Beach would be \$33,000, and costs for OCSD would be \$19,200. Direct staffing costs at Grover Beach would amount to \$21,000, due to increased overtime to meet the minimum staff coverage previously noted.

As noted, fire dispatch services could be provided by Arroyo Grande and costs to the Authority would be slightly higher at \$112,000. The share of this total for the City of Grover Beach would be \$39,235, plus the loss of revenue we currently receive from the Oceano Community Services District of \$20,000 annually.

Law Enforcement Consolidation Opportunities

In reviewing the options for dispatch consolidation, the full consolidation of law enforcement between the two Cities was briefly discussed at the staff level. This option has been discussed many times in the past, both at the staff and Council levels. It is possible that greater cost savings and service increases could be realized through total law enforcement consolidation, and consolidation of dispatch might be easier to accomplish if it were a component of a greater reorganization of services. However, any full discussion of law enforcement consolidation would need to be fairly broad and, in addition to a simple analysis of cost impacts, both agencies would need to look very closely at the ramifications such a realignment of these services would have on the respective communities. This discussion is well beyond the scope of this report and recommendation.

Summary

In July of 2010, fire services for the Cities of Grover Beach and Arroyo Grande and the Oceano Community Services District were consolidated with the implementation of the Five Cities Fire Authority. In an effort to consolidate fire service dispatch, staff was directed to undertake the review of several options, which included contracting dispatch services with San Luis Obispo, and consolidating dispatch services either here in Grover Beach or in Arroyo Grande. Staff is recommending that, should the Council wish to move forward with the full consolidation of dispatch services, those services should be provided in Grover Beach, as an alternative, staff would recommend that fire dispatch be consolidated in Grover Beach.

ALTERNATIVES

The Council has the following alternatives to consider:

1. The Council could endorse the *full* consolidation of dispatch services at Grover Beach;
2. The Council could endorse the consolidation of *fire services* at Grover Beach
3. The Council could endorse the *relocation of dispatch services* to Arroyo Grande;
4. The Council could endorse the option of full law enforcement consolidation; or
5. Provide staff with additional direction.

RECOMMENDED ACTION

It is recommended that the Council endorse the option of full consolidation of dispatch services at Grover Beach and provide direction to the Five Cities Fire Joint Power Authority representative and staff accordingly.

FISCAL IMPACT

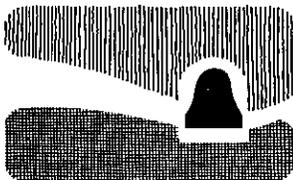
The consolidation of dispatch at Grover Beach could save the City an estimated \$75,000 from the FY 11 - FY 12 General Fund Budget.

PUBLIC NOTIFICATION

The agenda was posted in accordance with the Brown Act.

Attachments

1. City of San Luis Obispo Proposal for Dispatch Services



city of san luis OBISPO

Attachment 1

990 Palm Street, San Luis Obispo, CA 93401-3249

February 7, 2011

Robert Perrault, City Manager
City of Grover Beach
154 S. Eighth Street
Grover Beach, CA 93433

CITY OF GROVER BEACH

FEB -8 2011

RECEIVED

Dear Mr. Perrault,

In response to your request, I am pleased to provide you a cost proposal to provide public safety dispatch services to the City of Grover Beach. The attached proposal is an estimate of costs and does not constitute a full contract proposal. It is an abbreviated description of the services to be performed and a cost estimate for those services. The actual costs of services would be subject to the development of a contract agreement with the jurisdictions involved. The proposal includes the estimated costs of providing services to the Cities of Grover Beach and Arroyo Grande and the Five Cities Joint Fire Authority.

My staff is available to answer any questions you may have about the estimate of costs and they are available to attend your City Council meeting to respond to any questions from Council Members. Police Chief Deborah Linden is the main point of contact for this cost proposal and she may be reached at (805) 781-7337 or by email at dlinden@slocity.org.

If your City Council determines that full negotiation of a contract for the City of San Luis Obispo to provide these service is warranted then we stand ready to initiate those negotiations.

Sincerely,

Katie Lichtig
City Manager



COST ESTIMATE TO PROVIDE PUBLIC SAFETY DISPATCHING SERVICES TO THE CITY OF ARROYO GRANDE, CITY OF GROVER BEACH AND FIVE CITIES JOINT FIRE AUTHORITY

At the request of the City Managers of the Cities of Arroyo Grande and Grover Beach, the City of San Luis Obispo is submitting the attached Estimate of Costs to provide public safety dispatching services to the City of Arroyo Grande (Arroyo Grande), the City of Grover Beach (Grover Beach), and the Five Cities Joint Fire Authority (Fire Authority). This Estimate of Costs does not constitute a full proposal; rather an abbreviated description of the services to be performed and a cost estimate for those services.

Description of Services to be Performed:

San Luis Obispo will provide 24-hour police dispatch services to Arroyo Grande and Grover Beach and fire dispatch services to Fire Authority. The services will be provided from the San Luis Obispo Public Safety Communication Center (PSAP). Services will include the following:

1. Processing of 9-1-1 calls and calls for assistance originating from Arroyo Grande and Grover Beach.
2. Dispatching of Arroyo Grande and Grover Beach police units and employees and facilitating radio communication between law enforcement units and allied public safety agencies operating within the Cities of Arroyo Grande and Grover Beach.
3. Receiving calls or computer requests for Fire Authority response and dispatching Fire Authority units and employees.
4. Processing requests for ambulance response within Arroyo Grande and Grover Beach to the Sheriff's Department Medical Communications Dispatch (Med-Com) via computer or telephone.
5. Providing Emergency Medical Dispatch (EMD) instructions during calls involving medical emergencies.
6. Processing CLETS entries pertaining to vehicles, restraining orders, and missing persons and providing NLETS and CLETS access to Arroyo Grande and Grover Beach police units in the field.
7. Providing for review digital recordings of all Arroyo Grande, Grover Beach and Fire Authority radio traffic and dispatch center telephone communications to authorized personnel upon request.
8. Other services as agreed on by all parties to an agreement.

Personnel:

San Luis Obispo will administer, manage and supervise the communications center and its personnel. San Luis Obispo will be responsible for supervising, hiring, training, and disciplining personnel. In addition, San Luis Obispo will maintain personnel files and other matters relating to the performance of services and control of personnel.

A minimum of one dispatcher shall be on duty at all times assigned to law enforcement dispatching for Arroyo Grande and Grover Beach (in addition to dispatch personnel assigned to San Luis Obispo calls). A minimum of one dispatcher shall be on duty at all times assigned to fire dispatching for the Fire Authority and San Luis Obispo Fire Department. The assigned dispatchers will not solely perform duties exclusive to Arroyo Grande, Grover Beach and Fire Authority while on-duty. All dispatchers in the San Luis Obispo communications center will have collateral duties and be available to assist other dispatchers when necessary to address the normal activity spikes for any assigned area.

Technology and Equipment:

Arroyo Grande, Grover Beach and Fire Authority, at its sole cost, shall provide or arrange for installation, implementation, maintenance licensing, and support of all additional lines, equipment, hardware and software necessary for San Luis Obispo to perform contract dispatch services.

As agreed upon in advance, San Luis Obispo will adjust, relocate, or purchase, as necessary any radio infrastructure equipment it deems necessary to perform the contract dispatch. Any equipment or infrastructure paid for or reimbursed by Arroyo Grande, Grover Beach and Fire Authority shall be and remain the property of Arroyo Grande, Grover Beach and Fire Authority, unless otherwise agreed to by both Parties in writing.

San Luis Obispo will assist Arroyo Grande, Grover Beach and Fire Authority with interfacing with the current San Luis Obispo's dispatching system. Any cost of interfacing shall be borne by Arroyo Grande, Grover Beach and Fire Authority.

Public Safety Communication Center Facility:

All services will be provided from the City of San Luis Obispo John W. Callahan Memorial Public Safety Communication Center. Arroyo Grande, Grover Beach and the Fire Authority will be assessed a portion of the costs to operate and maintain the Center and a portion of the anticipated replacement costs of the equipment in and related to the Center. The operation of the Center shall remain under the authority of the City of San Luis Obispo.

Attached: Estimate of Costs

Estimate of Costs to Provide Contract Dispatch Services to Arroyo Grande, Grover Beach, and Five Cities Joint Fire Authority

Start-up costs (one time)	Cost	A-G Share (police)	Grover Share (police)	Fire JPA Share
Hiring costs - medical, poly, psych, backgrounds for 9 new employees	\$9,900	\$3,749	\$4,399	\$1,752
Training differential (5% pay increase for dispatch FTOs while training new employees)	\$20,262	\$7,673	\$9,002	\$3,586
Radio connection (microwave)	\$422,580	\$160,031	\$187,752	\$74,797
Fire station alerting system (3 stations)	\$225,000	\$85,208	\$99,968	\$39,825
CAD interface	\$49,000	\$18,556	\$21,771	\$8,673
GIS mapping set-up	\$12,000	\$4,544	\$5,332	\$2,124
Radio T-1 back-up line set-up, router, firewall	\$4,138	\$1,567	\$1,839	\$732
CAD T-1 back-up line set-up, router, firewall	\$8,276	\$3,134	\$3,677	\$1,465
Equipment for new dispatchers (headsets, chairs, supplies, employee appreciation)	\$8,954	\$3,391	\$3,978	\$1,585
Total start-up costs (one-time)	\$760,110	\$287,854	\$337,717	\$134,539

Annual on-going recurring costs	Cost	A-G Share (Police)	Grover Share (police)	Fire JPA Share
Salary/benefits for 8 Communications Technicians and 1 Communications Supervisor (starting when hired prior to cut-over)	\$977,713	\$370,260	\$434,398	\$173,055
City indirect cost (25.6% of new personnel costs)	\$270,165	\$102,311	\$120,034	\$47,819
Department indirect cost (31.7% of new personnel costs)	\$334,540	\$126,690	\$148,636	\$59,214
Overtime for new personnel	\$77,618	\$29,394	\$34,486	\$13,738
Use of building (41% of debt service cost)	\$146,500	\$55,480	\$65,090	\$25,931
Dispatch/radio equipment depreciation (10 year life) (41% of annual cost)	\$73,800	\$27,948	\$32,789	\$13,063
Maintenance & utilities (41% of costs)	\$35,465	\$13,431	\$15,757	\$6,277
Janitorial (41% of costs)	\$3,280	\$1,242	\$1,457	\$581
Radio T-1 back-up line charges	\$3,540	\$1,341	\$1,573	\$627
CAD T-1 back-up line charges	\$7,080	\$2,681	\$3,146	\$1,253
Total on-going costs	\$1,929,701	\$730,778	\$857,366	\$341,557

Notes:

Share of costs based on percent share of total calls for each jurisdiction for 2008 from dispatch consolidation study:

Total calls = 19,580

Arroyo Grande (police calls) = 7,415 (37.87%)

Grover Beach (police calls) = 8,700 (44.43%)

Fire JPA calls = 3,465 (17.7%)

New personnel hired for contract will comprise 41% of the personnel using the dispatch center building.