

DRAFT Grosse Pointes Dispatch/Lock-up Collaboration Effort

INTRODUCTION

The five Grosse Pointe communities have been considering substantial changes to their emergency dispatch operations. The goal of this consideration is two-fold:

1. Maintain or improve current level of service, and
2. Reduce costs

To that end, two major options have been explored. A Subcommittee made up of the 5 city managers, the 5 public safety directors, and a SEMCOG representative was given by the Ad Hoc Grosse Pointe Public Safety Committee comprised of elected officials and the administrators of each Grosse Pointe municipality, the task to explore these options and make recommendations. Their recommendations and rationale for those recommendations is the subject of this report.

The first option is to abandon Grosse Pointe based dispatch operations entirely, and become a member of the dispatch authority South East Regional Emergency Services Authority (hereinafter referred to as SERESA), or simply purchase the service from SERESA without becoming a member.

The second option under consideration is to form a combined Grosse Pointe Dispatch that would perform dispatch duties for the 5 Grosse Pointes.

During the course of investigation into the two aforementioned options, a third option evolved. Recognizing that the first two options would involve a large capital expenditure and would require a great deal of time and negotiations, the option of smaller groups of cooperation between the Grosse Pointe communities could perhaps be accomplished in a more expedient fashion, without the large upfront expenditures. It is acknowledged that this may be a temporary solution until equipment demands dictate a change, but this option may buy the cities time and move those expenses to a time that is less fiscally challenging, and give the cities the opportunity to plan for the larger move.

RECOMMENDATIONS

It is recommended that the SERESA option be declined and no longer considered a viable solution. The cost of the SERESA route has proven to be higher than expected and would result in a significant loss of local control with little or no financial benefit.

It is further recommended that the 5 city combined dispatch center continue to be on the table and work to ultimately accomplish this goal be ongoing. It may be the best option

operationally once logistics and finances are worked out, but those issues will take time and money to resolve.

It is finally recommended that a smaller unit of governmental cooperation option be pursued. At this time, it would require very little capital expenditure and will have far fewer logistical issues.

All of these recommendations are explored in more detail below.

RATIONALE FOR RECOMMENDATIONS

SERESA

Early on in the discussions on dispatch restructuring, the SERESA option looked quite attractive. With this option, the cities would divest themselves of the responsibility and expense of public safety dispatching and would pay a fee to become a member of SERESA, or would simply pay a fee to purchase services based upon some formula, presumably predicated on run volume. While the loss of local control was an issue, as well as provisions for prisoner lock-up and walk-in traffic, it was thought that if the financial savings were substantial enough, this may be worth exploring.

The investigation of this option was stretched out for some months by SERESA, as it wanted to get their operations up and running before entertaining taking on new members. With SERESA going operational early this year, the committee received figures from SERESA the first week of March. Those figures make it clear that this is no longer a route worth pursuing. The figures are listed below, and are dependent on how many of the Grosse Pointe cities are involved:

Number of communities	Annual fee	Average fee/community
1 community	\$250,000	\$250,000
2 communities	\$500,000	\$250,000
3 communities	\$730,000	\$245,333
4 communities	\$730,000	\$182,500
5 communities	\$730,000	\$146,000

The current budgets for the Grosse Pointe communities' dispatch services are:

City	\$239,060
Farms	\$328,005
Park	\$231,854
Shores	\$255,714
Woods	\$226,961

As can be easily seen, the savings even at the least expensive rate with all 5 communities on board are not as significant as anticipated based on initial indications from SERESA. In fact, when considering that SERESA makes no provision for prisoner lock-up, and the cities would still need to address that issues as well as walk-up traffic, reports for citizens, non-emergency calls and other administrative functions, it is questionable as to whether there would be any savings at all, and only if all five cities joined.

In addition to this, the option of being on the governance body of SERESA is not available, and no provision for hiring of any current Grosse Pointe dispatch employees has been offered. The Grosse Pointes would be in the position of eliminating all employees involved in dispatch with no options available to those employees, and the Grosse Pointes would become a consumer of services, with little influence in how the operation is run, and faced with a monumental task of putting an entirely new dispatch system together should they decide to withdraw from SERESA in the future.

Therefore, due to the loss of local control at virtually no benefit while not fully meeting all the Grosse Pointe needs, it is recommend that SERESA be dropped from any further consideration.

Five City Combined Dispatch

The five city combined dispatch operating as an intergovernmental cooperative effort remains a viable and desirable option. Operationally, having one central dispatch with a central lock-up makes sense. Sharing the capital costs of radio, telephone, and reporting systems is extremely beneficial. With these and other benefits in mind, this initiative should continue to be actively pursued.

However, there are difficulties that must be overcome in accomplishing a complete merger. The devil is in the details, and discovering and reassigning all of the duties a dispatcher currently performs which varies by community would be a critical task. Labor issues would need to be addressed. In all likelihood, the current positions would be eliminated and those bargaining units would cease to exist when the contracts expired. The newly formed communications department would then negotiate new contracts with employees. This would be time consuming, laborious and potentially politically difficult. The new dispatch center, assumed for purposes of this review to be in Grosse Pointe Park, would need to be reconstructed with new communications equipment installed at significant upfront cost. There are many other points that must be considered, but these are a few of the major ones. Probably the biggest decision that must be made is how to fund the new center.

Several cost sharing and funding scenarios have been developed, and the results vary widely. The Subcommittee evaluated dividing the cost based on taxable value, dispatched calls, 50/50 taxable value and dispatched calls, total incoming calls, and 50/50

taxable value and total incoming calls. All of these scenarios resulted in big winners and big losers, with the extremes being one community saving 61%, and one community paying over 70% more. Obviously big winners and big losers do not make for a lasting collaboration. (See attached spreadsheet.)

Therefore, while the Subcommittee did not reach a consensus, it seems that the most even distribution of savings would be based on either sharing the costs equally, or sharing the savings equally. Sharing the costs equally is easy to calculate. Simply take the total cost of dispatch operations, divide it by five, and that's it. The community spending the most now would benefit the most, and conversely the community spending the least would benefit the least, but the savings are fairly close with the divergence being no where near as great as in the other scenarios.

Sharing savings would result by determining the total savings, distributing those savings equally, then as time goes on, whatever percentage of the total operation each community occupied when the savings were determined would be continued on. For example, The City of Grosse Pointe currently budgets \$239,060 for dispatch, which is 18.65% of the total of \$1,281,594 budgeted by all five cities. Should the proposal be enacted as currently envisioned, there would be a 28.8% overall savings resulting in a total expenditure for dispatch of \$ 912,030. The City of Grosse Pointe would be responsible for 18.65% of that cost, or \$170,124, a 28.8% savings. The City of Grosse Pointe would continue to pay 18.65% of dispatch costs.

How much savings can be derived from such a consolidation? There are two types of savings to be had by the consolidation effort: One-time savings in capital expenditures, and ongoing savings from the more efficient model. The one-time savings available appear to be in the range of \$215,000 overall. This is the net return derived from the savings from consolidated replacement of outdated communications equipment (see previous report for details) minus the expense of necessary reconstruction to accommodate the new dispatch center.

The attached spreadsheet shows the ongoing savings that can be attained, which is an overall savings of 28.8% of current costs. (The potential cost savings do not include any estimated savings from reduced legacy costs under a consolidated intergovernmental entity.) These figures represent savings presuming a staffing level of 14 full-time dispatchers, providing 3 dispatchers on duty. Three dispatchers on duty at all times is presumed to be a minimum level of staffing with more analysis needed. For the sake of discussion, assuming the staffing level of 14 is adequate, could the savings be increased further? Yes, they could, by reducing the number of full-time dispatchers and replacing them with part-time.

It had been the desire of this Subcommittee to retain as many current full-time employees as possible. There are currently 16 full-time employees between the 5 cities, and it was presumed that there would be at least 2 dispatchers retiring prior to the implementation of the consolidated dispatch plan. The average salary and benefits cost of a dispatcher in the Grosse Pointes is \$65,145. The rate for a part-time dispatcher is around \$17 per hour. In

the 12-hour shift model proposed, the average workweek is 42 hours, or 2,184 hours per year, resulting in an annual cost of \$37,128 if a part-time dispatcher was to occupy a full-time slot. For each full-time dispatcher replaced by part-time personnel, there is a savings of approximately \$28,000. In order to determine the total savings available, the public safety directors would need to ascertain what the smallest core of full-time personnel would be, supplemented by part-time personnel.

Once that core is determined, it could be achieved in one of two ways. Full-time personnel could be immediately laid-off and replaced with part-time personnel, or as dispatchers leave employment through retirement or other life circumstances, they could be replaced by attrition. The latter choice is certainly preferable if financially feasible.

As stated earlier, this model will take substantial effort and time to accomplish. The Subcommittee believes it is worth the time and effort, but in the interim, another solution may be feasible.

Smaller Units of Intergovernmental Cooperation

Significant savings may be realized by cities partnering up with each other to offer dispatch services. For example, a smaller city partnering with a larger city. The major advantages to this model are it could be accomplished relatively quickly, with little to no capital expenditure. The major disadvantages are the savings result almost entirely from the elimination of personnel, and the fact that this is a temporary solution.

It is a temporary solution because in this scenario, there is no provision for the replacement of outdated communications equipment. This equipment is no longer being supported by the manufacturer in terms of parts and could at any time fail, with no option other than replacement. The large capital expenditure would be deferred until necessary. The timing of that necessity is impossible to predict, however, this option is made more feasible by having the abandoned communications equipment available to be stripped out for parts as needed.

In this scenario, one community would get out of direct provision of the public safety dispatching business, and would purchase service from another Grosse Pointe community. The remaining issues common to any type of consolidation effort, such as lock-up, walk-ins, etc. would need to be resolved, but would be less complicated in the smaller model.

As work would continue in the future toward complete dispatch consolidation with all the Grosse Pointes, it would be made simpler by now having to deal with 2 or 3 entities as opposed to five. Much of the difficult work and tough decisions of personnel issues, reporting systems, etc. would have already have been accomplished. The Subcommittee feels that this is a viable short-term option.

An added benefit to this short-term option could be in the form of state revenue sharing. The Governor has made it clear that state revenue sharing will be impacted by how well local governmental units are sharing services. While it is not yet determined what that impact will be and how it will be calculated, by getting this short-term option in place, it could place the Grosse Pointes in a better position to take advantage of such a plan. And further Grosse Pointe wide consolidation could position the Grosse Pointes to qualify for additional service sharing incentives in the future.

Conclusion

As stated earlier, the Subcommittee recommends that the SERESA option be eliminated and no further time be spent on it. Further, the Subcommittee recommends that the full dispatch consolidation continue to be pursued, recognizing that it will be a prolonged effort with much work to be done. Finally, we recommend that serious discussion begin between the cities on how to best quickly implement the short-term solution of small units of intergovernmental cooperation.

Once the direction of the dispatch initiative has been determined, we also recommend that we continue with broader public safety cooperative efforts. Sharing fire services had been discussed earlier and had been tabled in order to concentrate on the dispatch issue. If a course of action can be decided on for dispatch and approved by the respective councils as needed, it is suggested that the full Ad Hoc Public Safety Committee move on to the next issue while implementation of the dispatch situation is ongoing.