

LEELANAU COUNTY BOARD OF COMMISSIONERS
Leelanau County Communications Task Force - Friday, July 22, 2016
Tentative Minutes – Meeting Recorded

Call to Order:

The meeting was called to order by Task Force Chairman Carolyn Rentenbach at 8:31 a.m. Today's session was held in the Lower Community Meeting Room of the Leelanau County Government Center, 8527 E. Government Center Dr., in Suttons Bay.

The Pledge of Allegiance to the United States of America was led by Greg Julian.

Roll Call:

Members Present:	Matt Ansorge	Present
	Pat Burguard	Present
	John Dodson	Present
	Chet Janik	Present
	Greg Julian	Present
	Melinda Lautner	<i>Arrived at 8:37 a.m.</i>
	Gary McGhee	Present
	Steve Morgan	Absent
	Ron Plamondon	Present
	Carolyn Rentenbach	Present
	Doug Scripps	Present
	Ty Wessell	Present

Guests present.

Approval of Agenda – Additions/Deletions:

Task Force Chairman Rentenbach called for any additions or deletions to the agenda.

MOTION BY BURGUARD TO APPROVE THE AGENDA AS PRESENTED.

SECONDED BY ANSORGE.

No discussion.

AYES – 11 (Ansorge, Burguard, Dodson, Janik, Julian, Lautner, McGee, Plamondon, Rentenbach, Scripps, Wessell)

NO - 0 Absent – 1 (Morgan)

MOTION CARRIED.

Approval of Minutes – 7/13/16, Meeting:

Lautner stated in regards to the discussion about the redundant computer system (page three), she wanted to make clear she is in favor of the redundant system, but not in favor of wanting to buy Traverse City their computer. We (Leelanau County) should go to Traverse City to ask them to fund the \$25,000.00.

MOTION BY BURGWARD TO APPROVE THE MINUTES OF JULY 13, 2016 WITH AMENDMENT CORRECTION. SECONDED BY PLAMONDON.

No further discussion.

AYES – 11 (Ansonge, Burguard, Dodson, Janik, Julian, Lautner, McGee, Plamondon, Rentenbach, Scripps, Wessell)

NO - 0 Absent – 1 (Morgan)

MOTION CARRIED.

Discussion Items-

Equipment Review and Associated Costs:

Ansonge stated he is in agreement with the Fire Chiefs Association and the 9-1-1 Committee, this is the equipment we should be going for. We are hoping to get consensus from this group that this is where we want to go. In talking with other colleagues in the region who have gone through this, Ansonge has taken lessons learned from them, in order to identify where we should go with equipment, and the system itself. All the professionals in the field are in agreement that we should be moving forward with the 800MHz system and progressing with the interoperability this equipment will give us.

Task Force Chairman Rentenbach questioned who exactly is on board with this, is the Sheriff's Department in agreement? Lt. James Kiessel, who was present on behalf of Undersheriff Morgan, affirmed.

Janik asked if we could have a priority list of equipment, considering there are six different equipment purchases listed. Ansonge stated yes, we can do that. Some can be purchased independently.

Lautner wanted a clarification on how the radios work in the field. Julian asked Dodson to explain what happened regarding the (recent) drowning in Glen Lake, and how the radios came into play. Dodson explained, at the scene of an incident, there are ways to communicate with those involved. In the Glen Lake drowning situation, there were many agencies involved (Coast Guard, Michigan State Police, National Park Service), who all can communicate on the same "talk around" state-assigned station. We are unable to do this with the current system. Dodson went on to explain the differences between the old (current) system and the new system, and the difference between using repeaters or line of sight channels. Lautner asked with what we have now, can the old radios be tied in to be used with the new ones? Dodson stated the radios we currently have are not compatible with the new 800 MHz, they are on a totally different spectrum. More discussion ensued on which departments use which stations. Lt. Kiessel explained that within minutes of the drowning, the Sheriff's Office was in touch with 9-1-1, and with everyone on one station, the ability to communicate was much easier. Any additional agency that was involved was asked to go to the assigned station. Kiessel explained the biggest problem we have now is Law Enforcement cannot communicate with Rescue and Fire and vice versa, the only way to make that happen is

through Dispatch. The new radios will give better interoperability with other departments.

Lautner questioned if we could phase in the new radios instead of paying up front for all the radios at once. Dodson stated we would have to carry two radios and trying to coordinate them at a scene would be a catastrophe. Not having radios able to communicate with each other would be a public safety disaster.

Ansorge reviewed the list of equipment needed, the priority in which he feels it should be purchased, as well the initial cost, and annual costs associated with them. A complete list of the mentioned equipment is on file at the County Clerk's Office.

1. Dispatch Radios, \$750,000.00 Initial purchase cost.
2. Field Radio Equipment, \$2,200,000.00 Initial purchase cost.
3. Remote Viper (NexGen911), \$80,000.00 Initial purchase cost.
4. Smart911, \$7,000.00 Annually.
5. RAVE alert, \$5,000.00 First year.
6. New World CAD, \$232,000.00 Initial purchase cost.
7. Priority Dispatch – EFD, \$44,000.00 Initial purchase cost.

Ansorge explained the first two on the list were top priority; the rest of the list would be secondary. Lautner asked what the time table on the New World CAD would be. Ansorge stated within a year. Ansorge went on to explain that the 800 MHz system is a State system, is built by the State, and it is made on Motorola equipment, which is on the towers, and in their vehicles. Throughout the State, there are about 73,000 units on the 800 MHz system. Of these, approximately 72,000 of these are Motorola. Basically, the system communicates better with the same equipment. Ansorge is recommending the Motorola equipment based on the feedback he has gotten from professionals in the field. The regions not using Motorola tend to have issues with communicating with the towers. If we were to go with different equipment (other than Motorola), there could be problems in the future ultimately leading to more costs.

Task Force Chairman Rentenbach summarized by saying the bulk of the cost will be the top two on the list, also being highest in priority, and costing about \$3.3 million. Ansorge affirmed. Janik stated everything else will be secondary.

Plamondon said he believes (from a computer standpoint), the Remote Viper or even the NextGen911 should be a higher priority than the radios, since the current 911 system is out of date, with unsupported equipment. Remote Viper can actually be broken up into two parts and hooked up to the legacy system converters before the actual Viper is installed with the IP system to Grand Traverse County.

Julian stated it makes sense to purchase the entire package, and the majority of the package is the \$3 million, if there was some reason why not to add on the extra

(approximate) \$20,000.00 to purchase all at once, it would just make sense to purchase all at once. This request should be for the entire package. Ansorge agreed it makes sense to purchase it all at once. Julian stated the goal with this Task Force was to come up with a complete list, and he believes the complete list is what should be passed along to the Board.

Lautner questioned the current radios and who purchased them. Ansorge replied the County did purchase the original equipment. This equipment could be traded in for some value.

Mike Muskovin from Motorola stated there is trade-in value, but it varies between equipment, and is usually not a significant amount.

Burguard referenced what the departments went through with the old radios, and upgrading those 20 years ago. Those radios were purchased by the County and disbursed by what the Townships needed or asked for. Lautner questioned millages instead of upfront cost.

Potential Funding Options-

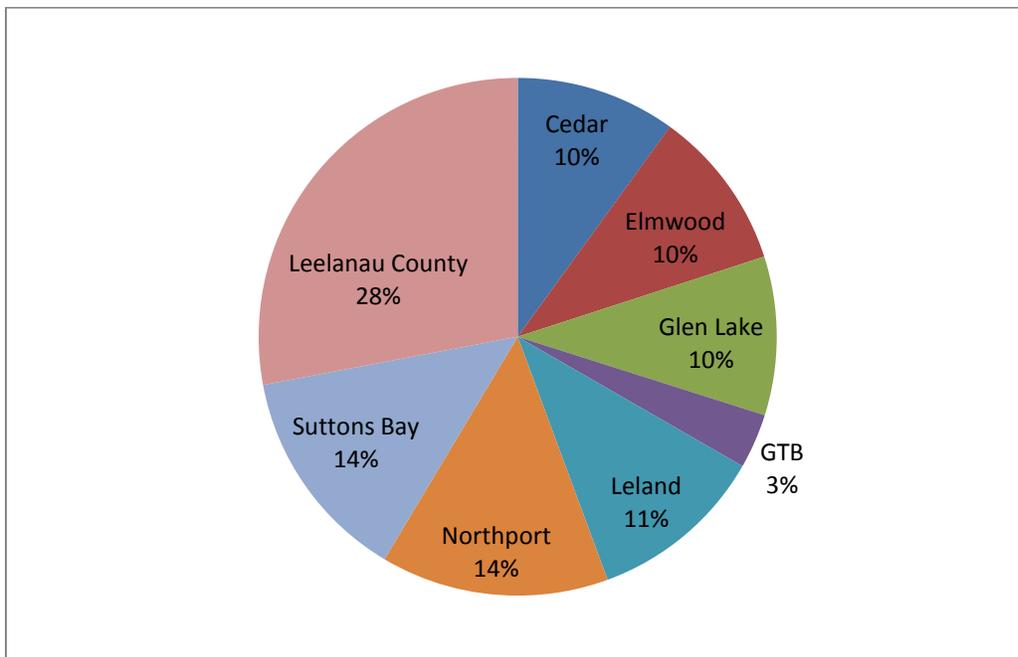
Treasurer John A. Gallagher III was present to go over the different financing options, which is on file at the County Clerk's Office.

The first two options listed, (option A) Motorola lease-purchase, and (option B), five year equipment Bond, which include an interest rate of 2.5-3%; bring the total to approximately \$3.6 million dollars.

The two other options (option C) is a six year equipment Bond, and (option D) Motorola Lease-Purchase ten year, both with interest rates of 2.5-3%. Option "D" is the highest cost, at approximately \$3.7 million dollars. There are more upfront costs associated with a Bond, since we have to go out and get a Bond rating, an issuance, as well as having the Bond written, and legal fees. Gallagher went on to explain the different steps associated with each option, as well as the different millages each option carries, and why the end costs vary. The numbers are subject to change, based on taxable growth, and any Headlee rollback. Option "D" is in a sense a self-funding option, at the request of the Task Force. This option has an initial payment of \$368,000.00, with zero interest for two years. Over the ten year period, the annual payments would be less than \$400,000.00, with the idea the County would self-finance. This option is the most costly, but has the lowest payment amount on an annual basis, because of the amortization.

Looking at the Major Equipment Purchases of the \$2.2 million dollars, Gallagher and Ansorge broke it down by unit.

Unit	Totals
Cedar	\$219,800.00
Elmwood	\$220,200.00
Glen Lake	\$217,800.00
GTB	\$75,100.00
Leland	\$243,000.00
Northport	\$313,000.00
Suttons Bay	\$295,300.00
Leelanau County	\$615,800.00



Gallagher explained, besides the County, the Fire Departments range between 10-14%, with the Grand Traverse Band at 3%.

Lautner stated by looking at the numbers, if we decide to go with this option and negotiate with GTB it would make sense, especially if we could get all the Townships

Cedar	\$ 219,800.00
Elmwood	\$ 220,200.00
Glen Lake	\$ 217,800.00
GTB	\$ 75,100.00
Leland	\$ 243,000.00
Northport	\$ 313,000.00
Suttons Bay	\$ 295,300.00
Leelanau County	\$ 1,733,800.00
Grand Total	\$ 3,318,000.00

behind our 2% allocation request for those tax dollars.

Gallagher continued to detail the proposed millages per unit (0.25; 0.2960; and 0.2518), based on the taxable values of each Township. The disproportion of the total millage collection is evident, with 17% of it would come from Leland.

Lautner said to Gallagher, great work on this, it is very helpful. She would pitch the upfront cost option; if we could fund this upfront as a County, our residents would not see it. Everything would be upgraded for the next ten years, the County sees the burden, but she does not see this as anything we cannot handle. By doing this, we avoid the \$0.42 surcharge that was previously discussed, which could be messy, and not even affect the visitors to the area or even people with second homes in the area, who pay their phone bills elsewhere.

Task Force Chairman Rentenbach wanted to clarify that Lautner is in favor of Option "D", which is the most costly option to the citizens of Leelanau County? Yes, she understands it is \$448,000.00 more in interest, but is there an early payback penalty? Muskovin affirmed there is no early payback penalty. Lautner stated if we pay back early, we take care of that increased interest charge.

Janik stated approximately 75% of the counties in the State have a millage or 9-1-1 surcharge. In the last five years, almost all have gone with the surcharges. The County Board can decide up to \$0.42 per household, anything above that, up to \$3.00 per household is voted on by the public, by law.

Lautner asked if this charge was per device. Janik affirmed. Most counties have chosen this because of fairness. Some Counties are even combining general fund dollars with the 911 surcharge.

Task Force Chairman Rentenbach asked if the scope Gallagher used include this surcharge. Gallagher said no, he only figured in the millage rates. Janik stated he did the figures with surcharges; Gallagher did the figuring with millages. If we tried to combine the two, it could get very difficult, without knowing the thoughts of the Task Force group. The options are millage, surcharge, the County funds or a combination. Janik also pointed out that the County cannot raise the General Fund millage, since we are at the maximum.

Gallagher continued, if we were to use County funds, for example, transfers from the General Fund, or DTR, the consequences could include reduced funding towards MERS, although those are unforeseen. That is something the Commissioners will have to consider if they choose to self-fund this project.

Ansorge asked Muskovin with the financing option, since we will be leasing the equipment, are we eligible for grant funding from the State? Muskovin stated possibly, but they would want to double check with counsel first. Grant funds cannot be used for budgeted costs. At the end of the lease term, the equipment is fully owned by the County.

Wessell said in regards to the discussion about possibly having to reduce MERS, he would like to avoid that. Is there a way to combine the three options, as well as maybe the GTB 2% allocation funding? Janik stated the 2% is not always assured, and would not be a stable source of funding. We can apply every six months for the 2%, but there is no guarantee we would receive it.

Task Force Chairman Rentenbach stated any subsequent funding we receive (from the Band, or surcharges) could be used to pay down the debt Gallagher affirmed.

Gallagher also stated we have to consider the (\$107,200.00) worth of annual costs. This will have an impact on the General Fund each year. If we recommend self-funding, we will have to consider additional revenues.

Julian stated if the money is there, his first choice would be to pay for the upgrade with the General Fund, since this is a necessary issue for the safety and well being of the community. It is obvious we need to go in this direction. What we need is to decide

what we are going to ask the County Commissioners to do, and ask them to have to citizen's support.

Gallagher stated if we were to move forward, it would need to come from fund balance, but there would be consequences.

Dodson said we need to have a backup plan, since the current radio system is seven years past its use of life; this project needs to be done soon, in some form or fashion. We are currently purchasing replacement parts on eBay, which cannot continue. Once the mechanism of funding is determined, it should be a very easy decision by the Commissioners, since the best way for them to represent their constituents would be to send it to the constituents for them to decide.

Task Force Chairman Rentenbach asked Dodson if he would like to go with Option "B". Dodson stated it seems like that would be the least expensive, and seems to be the better choice.

Janik stated we are in agreement that this is a priority, we need a 10 year plan, and we do have options on finance. We have done our research, now we need to leave it to the Board. We are able to go up for millage bond 4 times a year. We all are also in agreement we need to do something quickly.

Julian said based on what he hears, he can make a recommendation, and that is not to self fund.

Wessell stated the other piece is that this is a County responsibility, and that we were not going to have the local units pay.

Scripps stated we need to be clear that the funding for this needs to be funded at the County Level, rather than at the Township level.

MOTION BY DODSON THAT BASED ON THE EQUIPMENT IDENTIFIED, THE COUNTY RECOGNIZE THE OBLIGATION TO PURCHASE THAT EQUIPMENT THROUGH THE FUNDING MECHANISIMS DISCUSSED HERE AND PRESENTED BY THE TREASURER, WITH THE COUNTY BEARING THE OBLIGATION, NOT THE FIRE DEPARTMENTS OR TOWNSHIPS. SECONDED BY JULIAN.

Discussion. Janik summarized, the final report will come up with a list of Task Force Members, the list of equipment that will suffice the County for the next approximately ten years. We will also identify the funding options; with this being is a County priority.

AYES – 11 (Ansonge, Burguard, Dodson, Janik, Julian, Lautner, McGee, Plamondon, Rentenbach, Scripps, Wessell)

NO - 0 Absent – 1 (Morgan)

MOTION CARRIED.

Public Comment:

•Steve Mikowski. Mikowski said in regard to the issue of cost of the project, the effect on the County can be the administrative costs; there can be a half a million dollars spent on administrative costs just trying to get these various options into place. Bonds are not free; they cost money, and Leelanau Township got nailed with a five million dollar bond with what he refers to as the “Taj Mahal” of fire departments. Now everyone is out looking for millage votes for libraries, and we are being inundated with all sorts of millage proposals, let’s watch out for what it costs to do the administrative work, even to the point of looking into what it would cost to go to the bank for a loan. Mikowski stated he sees no problem postponing advancements of MERS payments for two years; we are way ahead of 90% of other counties anyway. We need to focus on the least cost, best possible way to do this, with the lowest administrative cost. Having multiple choices to do this financing is a “rat’s nest” of administrative work that creates all new accounting numbers and everything else. Seek simplicity in this process; even if the end cost seems higher, the administrative costs will actually make it the least costly.

•Gery Zemaitis. Zemaitis said in regards to what 90% of what other counties are doing, he doesn’t care. We are probably in the best financial shape compared to most counties. To self fund this project, most people would look at it in a positive light. With the sale of the Leland property coming up, (which will be a loss), we could at least take the funds from that sale to put towards this project. This County has not grown that much population wise in the last several years, but our Government cost has grown a lot in the last few years. As the County Board asked the departments (a few years ago) to take a look at their financials and cut back, they all did, and nobody lost any services or anything else, so there are other ways of doing this. It should be explored by the Board, not this Task Force, since the Board has the final decision. It is important to keep the people safe; and 9-1-1 helps that. Technology is growing at a faster and faster pace, and in a few years the police departments will be able to use their smart phones with a certain app.

Task Force Member Comments:

•Julian thanked Mr. Mikowski for his wise words, and he does think that self funding is an option, if it is doable within the County budget. The County Commissioners should look at that and do it, if possible. If not, they have a duty to ask the citizens to fund this. Zemaitis interjected – the citizens fund everything.

•Burguard just wanted to thank everyone, they have had great service out of the current system, but it is time to move on, and move forward with this.

•Plamondon had no further comment.

- Lt. Kiessel stressed the importance that the Sheriff's Office is fully behind this, and the need is there. The current system has run its course, since they are now piecing it together. It only takes one of those parts to fail to have a major issue to arise.
- Ansorge wanted to thank everyone for taking part in this Task Force. It was a time commitment for everyone, and he feels grateful for everyone in attendance.
- Janik noted we have looked at all the options in a timely fashion. Ansorge came to the Board with an issue in April, the Task Force was formed, and now we have met and discussed all the options and goal to move forward.
- Dodson thanked everyone.
- Scripps commended the staff for pulling the information together. Scripps wanted to point out, Mr. Mikowski referred to the five million dollar Bond in Leelanau Township, Scripps believes Mikowski meant Leland Township. Mikowski affirmed.
- Wessell said thank you; now the Commission has its job to do.
- Lautner had no comment.

Motion to Adjourn:

(No official motion was made; meeting adjourned at 9:58 a.m.)

Molly Steck, Deputy County Clerk