CENCOM POLICY BOARD Meeting
September 4, 2015 (9:00 to 2:00)
CENCOM

A G E N D A

1. Call to Order   (Chair)
2. Public Comment (limited to 2 minutes per speaker)
3. Governance   (Staff)
   - Possible Executive Session to discuss legal risks
   - Action items as a result of the executive session, if any
   - Interlocal Agreement
     - Possible Action: approve advancing the ILA to the parties for execution or provide feedback to staff for revision and defer action to the October meeting.
   - Common Interest Agreement
   - Transition Plan
     - Possible Action: adopt transition plan
   - HR Consultant
     - Possible Action: authorize staff to hire an HR consultant
   - Risk Insurance
     - Possible Action: authorize staff to begin risk pool membership process

4. Budget Report (time permitting)   (King)
5. Project Report (time permitting)   (Kirton)
6. Employee Recognition   (Kirton)
7. Good of the Order   (All)

2:00 Adjourn   *(Chair)*

NOTE: Lunch will be served beginning at 1130.

Cencom Transition Plan

The transition of CENCOM from a county department/joint board (JB) to a separate legal entity (SLE) should progress in three phases with the SLE assuming responsibility for providing CENCOM's services at the conclusion of phase one (on or about April 1, 2015).

Phase One includes tasks necessary for the creation of the SLE, changing the employer relationship from Kitsap County to the SLE, and obtaining risk insurance.

Phase Two consists of tasks that can be completed after the SLE begins providing services. These primarily revolve around the services other than HR and Risk that CENCOM is currently receiving from Kitsap County as well as follow on phase 1 tasks that are not critical to cut over (for example we may need to secure 501(C)3 status which can occur any time after we incorporate).

Phase Three is primarily a continuous process improvement initiative.

Assumptions...
1) A change in governance structure should not trigger an increase in user fees.
2) A change in governance structure should result in an increase in effectiveness, flexibility, transparency, and stewardship.

Major Services Currently Provided by Kitsap County

Provider and Service	General Timeline/Recommendation	Assigned Staff/Committee
Treasurer- Banking/Investments	Will likely remain with Treasurer. (Board Decision as part of ILA process)	N/A
Treasurer- Bonds	Will likely remain with Treasurer. (Initial Board Decision as part of ILA process, additional decisions when future bond loans are contemplated)	N/A
Administrative Services- Budget	Transfer to SLE upon effective date established by board through ILA process. Some revisions to budget process in 2016.	Richard, Robin, Finance Committee
HR	Transfer to SLE upon effective date established by board through ILA process. Major transition items identified in transition plan below. Full transition plan complete NLT January	Richard, Maria, Consultant → HR Manager with assistance from County HR and Civil Division
Administative Services- Risk Management	Transfer to SLE upon effective date established by board through ILA process. Major transition items identified in transition plan below. Staff will present provider recommendations and Full transition plan in October	Richard, CEC
Auditor- State Audits	State will audit the SLE separately. SLE will become record holder. Need to notify state once effective date is decided. County Auditor will assist with audit at least for transition period.	Richard, Robin, Finance Committee,

Administrative Services- Purchasing	Recommendation and transition plan (if recommendation is to change service provider) to Board NLT January	Richard, Maria, Stephanie B.
Prosecutor's Office- General Counsel/ Contract Review	May be partially provided by risk pool. Staff will present formal recommendation and transition plan (if recommendation is to change service provider) NLT January	Richard, CEC
Prosecutor's Office- Labor Law- HR Actions	May be partially provided by risk pool. Staff will present formal recommendation and transition plan (if recommendation is to change service provider) NLT January	Richard, CEC, HR Consultant/Manager
Prosecutor's Office- Labor Law – CBA Negotiations	Staff will present formal recommendation and transition plan (if recommendation is to change service provider) NLT January	Richard, CEC, HR Consultant/Manager
Auditor- Payroll	Auditor will provide through EOY 2016. Staff (working with Finance Subcommittee and executive committee) will present long term recommendation and transition plan (if recommendation is to change service provider) NLT April	Richard, Robin, Finance Committee
Auditor- Accounts Payable	Auditor will provide through EOY 2016. Staff (working with Finance Subcommittee and executive committee) will present long term recommendation and transition plan (if recommendation is to change service provider) NLT April	Richard, Robin, Finance Committee
Information Services*- ISP	Will likely continue current distribution of responsibilities between KCIS and CENCOM. Staff will present formal recommendation and transition plan (if recommendation is to change service provider) NLT April	Richard, Dean/Mark, Nick
Information Services- Network Security	Will likely continue current distribution of responsibilities between KCIS and CENCOM. Staff will present formal recommendation and transition plan (if recommendation is to change service provider) NLT April	Richard, Dean/Mark, Nick
Information Services- Long Distance Telephone Least Cost routing	Will likely continue current distribution of responsibilities between KCIS and CENCOM. Staff will present formal recommendation and transition plan (if recommendation is to change service provider) NLT April	Richard, Dean/Mark, Nick
Information Services- GIS	Will likely continue current distribution of responsibilities between KCIS and CENCOM. Staff will present formal recommendation and transition plan (if recommendation is to change service provider) NLT April	Richard, Dean/Mark, Nick
Information Services- Disaster Recovery	Will likely continue current distribution of responsibilities between KCIS and CENCOM. Staff will present formal recommendation and transition plan (if recommendation is to change service provider) NLT April	Richard, Dean/Mark, Nick

Timeline (Major Items and Board Decisions)

Phase One

1.0 ~~August: Retention of Legal Counsel~~

2.0 August: County leadership decision regarding continuity of service support during 2016. Is the County willing to provide current support services through a transition year?

3.0 August: Draft ILA to Executive Committee. Does the draft ILA accomplish the Board's goals?

4.0 September: ILA to Board for decision. Is the ILA ready to be sent to the parties for adoption?

5.0 September: Retention of HR Consultant,

    5.1 September-January. Develop full HR transition plan including transitional CBA, HR Policies, benefit package, etc L&I, Employment Security, PERS, Social Security, Etc).

6.0   September-October: County decision regarding continuity of Cencom employee benefits package through 2016. Can the County continue to provide and administer employee benefits through the transition year?

7.0   September-December: Bargain transitional collective bargaining agreement (essentially a 1 year extension of the current CBA + transitional issues like bargaining impacts of decision)

8.0   October: Formally notify state auditor of our intent to create a SLE and anticipated transition date.

9.0   September- October: Board Decision regarding employee benefit package, provide direction to negotiations team.

10.0   September- October: Selection of Risk Insurance Provider

11.0   October: Board appoints Interim Finance committee

12.0   October-December: Parties adopt ILA

13.0   November: create L&I/Employment Security Accounts

14.0   December: Begin Recruitment of full-time Human Resources professional

15.0   January: Board approves full HR Transition plan and adopts resolutions regarding PERS and Social Security.

Phase Two

16.0   September-February: Assessment of HR best practices.

17.0   October-February: Execute service agreements with Kitsap County for Auditor, Treasurer, and Information Services (through 2016).

18.0   October-March: Transfer Contracts from County to SLE, execute agreement between SLE and County regarding any contracts that cannot be transferred.

19.0   March: Facilities, Asset, and cash transfer from County to Cencom.

20.0   November-March: Board adopts Bylaws

21.0   October-April: Finance, Budgeting and Budget Process. What will Cencom's Budget Process look like for 2017 and beyond? Does Cencom's Board need a Permanent Finance Committee? Delegation of finance responsibilities? Decision regarding GAAP (Accrual) or Cash basis accounting and reporting.

22.0   November-April: Decision package regarding scope of County support services beyond 2016 (assumes 2.0 above in the affirmative).

        22.1   Information Technology support: Who will provide Cencom IT infrastructure support?

        22.2   Banking: Who will serve as CENCOM's bank? (may be decided as part of ILA discussion).

        22.3   Warrants: Who will process warrants?

        22.4   Payroll: Who will manage Cencom payroll? If not Kitsap County, when

        22.5   Purchasing: Who will administer Cencom Purchasing systems?

        22.6   Legal

        22.7   Develop transition plans for each area.

23.0   July: Collective Bargaining Agreement negotiations begin.

        23.1   October-July: Prepare Recommendations for Board

        23.2   July: Board Direction to negotiating team

Phase Three: Executive Committee Report to the Board at the January 2017 meeting regarding the transition. 5 year process-improvement initiative begins.

Information Paper
CENCOM Policy Board

Subject: Budget Report (actuals as of July 31, 2015)

Summary: For the period of January through July 2015, revenues were above budget and expenses were below budget, with no significant outliers.

Revenues: We have received 59.5% ($5.15M) of budgeted revenues through July 2015, with a goal of 57.7%.

Our sales tax revenue is above projection for 2015, with our year to date total 9.1% above budget with 61.7% received (goal is 56.6%).

Our telephone excise tax revenues are below budget with 55.4% received of the 58.4% expected.

All other revenues are tracking just a little above projection.

Expenditures: We have expended 52.7% ($5.4M of $10.3M) of our **total** appropriation with a goal of 58.7%. We have expended 55.6% ($4.8M of $8.6M) of our **operating** appropriation with a goal of 58.7% through July 2015.

Within the operating budget, Salaries and Benefits are 54% ($3.4M of $6.2M) expended and Supplies and Services are 59.6% ($1.4K of $2.4M) expended. The goals were 56.7% and 64.1%, respectively.

Technical System Enhancements: We have expended 37.9% ($622k of $1.6M) through July 2015, with a goal of 58.7%.

Reserves: We have not had to use any of our reserve funds so far this year.

Risks: None identified. All leading economic indicators for Puget Sound are up, with the exception of multi-family housing permits. However, Puget Sound is expecting housing permits in the four county area (King, Pierce, Snohomish and Kitsap) to be the highest since 2007. Kitsap County is showing growth in building, with permits up 14.6% from July 31st, 2014. Kitsap County residential permits are up 27.21%

CENCOM 2015 Goals (rev. 8/27/15)

Goal	Est. Compl.	Status
Governance		
1. Improve efficiencies and communications with Board	N/A	N/A
A. Make agendas and meeting packets available on the website	3/31/15	Complete
B. Distribute Executive Committee Agendas and Packets to the Entire Board	3/31/15	Complete
C. Distribute CEC Minutes to the Entire Board soon after the meeting.	3/31/15	Complete
D. Discuss additional improvements/goals as part of ILA Update (1Ba)	4/23/15	Complete
2. Update Interlocal Agreement	10/6/15	On Track
3. Update Strategic Plan	10/6/15	On Track
Fiscal		
4. Streamline Budget Process	7/7/15	Complete
5. Update equipment replacement funding plan	12/31/17	Pending
Technical Projects		
6. Replace UPS Batteries	3/31/15	Complete+
7. Complete Cultus Bay Implementation	3/31/15	Complete
8. MCT Hardware Evaluation/Selection	5/31/15	Complete
9. Secure funding for Bainbridge Island tower (Winslow area)	3Q2015	
10. Complete TRIS implementation	9/30/15	On Track
11. Complete PTT-ID implementation	12/31/15	On Track
12. Deploy NG911 Phone System	4Q2015	On Track/SP
13. Deploy Logging Recorder	4Q2015	On Track/SP
14. Tower site improvements	1Q2016	On Track
15. Complete CAD/Mobile Software Upgrade (including MCT hardware deployment)	2Q2016	On Track/SP
16. Backup Center	4Q2016	On Track/SP
17. Upgrade radio consoles	4Q2016	On Track
18. Deploy GIS Based MSAG	4Q2017	On Track
Operations		
19. Finish Reorg (partially completed 5/28/15, remainder on hold)	3/31/15	On Hold
20. Implement Mentoring Program	5/1/15	Complete
21. Implement Text to 911	6/30/15	Complete+
22. Implement Peer Support Program	6/30/15	Complete+
23. Complete NCMEC Partnership (Missing Kids Readiness Project)	6/30/15	Complete+
24. Improve Quality Assurance Program	12/31/2015	On Track/SP
Admin		
25. CEC minutes complete within 2 days. All other minutes within 4 days of mtg	01/31/15	Complete
26. Begin providing increased administrative support to Tech Group	6/30/15	Complete
27. Develop Contract tracking Process	4Q2015	On Hold
CALEA		
28. Complete internal mock	5/31/15	Complete
29. Schedule Final mock	4Q2015	On Track/SP
30. Schedule Onsite assessment	4Q2015	On Track

Pending= project has not started, no risks identified.

On Track= project has started, no risks identified. On Track/SP= Significant Progress/Ahead of Schedule/Under Budget.
Slight Risk- risk factor that <u>may</u> impact completion date or budget. At Risk- significant or multiple risk factors likely to impact completion date or budget. Pending= project has not been started.

Complete= Completed On time/within budget. + Early and/or under budget. L= late O=Over budget