



Date: January 29, 2015
To: Mayor Balducci and Members of the City Council
From: Jerome Roaché, Assistant City Attorney
Subject: Follow-Up on Council Questions Regarding PSERN

Purpose of this Memo:

At the January 26, 2015 study session, staff presented the PSERN ILA and MOA for Council review. The purpose of this memo is to provide Council with the requested follow up to the issues raised at that meeting.

Questions Raised By Council:

1. *Is this technology the City should be investing in? Is it old technology? Was cell phone technology considered?*
2. Is countywide Medic One factored in under PSERN? Council observed that the dispatch center bills the City, then the King County levy for advanced life support (ALS) reimburses the City for dispatching and radio costs they cover.
3. What is expected of the taxpayers? If the levy is for approximately \$245 million, how will it be raised?
4. What are the options if the City elects not to participate?
5. Since the fourth largest item in the PSERN budget is sales tax, Council asked, "Where does the revenue go?" Is it possible to spread a portion of the sales tax back to those that are funding the project?
6. Who else is working on the system- only Motorola? How compatible is the system and how up to date is it?
7. What exactly is Council being asked to approve?

Follow up Response:

Question 1: *Is this technology the City should be investing in? Is it old technology? Was cell phone technology considered?*

The system being purchased is a state-of-the-art voice land mobile radio (LMR) system that has the most-up-to-date technology available in the marketplace. Several alternative technologies that could be identified were considered as part of the vetting process and a technical report was developed that outlined the technological options prior to developing the system vendor request for proposals.

Cell phone technology was one of the alternatives considered, but was eliminated for several reasons. Cell phone systems can be taken down by small or large events, such as the Tacoma Mall shooting, snow or wind storms or significant community events. During the recent Oso mudslide, the limited cellular infrastructure that was in place went off the air for several days until reinforcements could be brought in. There are many examples of the lack of resiliency with the cellular technology both locally and across the nation. Another key reason why cell phones do not work for emergency mission critical voice networks is that they do not work the way first responders use voice on an LMR system. An example of this is “off-network” communications. This isn’t possible in the cellular systems today or for the foreseeable future, but it is a daily occurrence in LMR. Another example is that in LMR systems, dispatchers talk to a fleet of users (e.g. one dispatcher can talk simultaneously to many first responders) and this is not possible in cellular networks today. Finally, there are coverage issues. Cellular service is often unavailable in buildings and tends to be limited in some geographic areas. LMR systems are built to cover more geography.

Question 2: *How is countywide Medic One factored in under PSERN?*

Bellevue provides Advanced Life Support response via the King County Emergency Medical Services levy. Bellevue is reimbursed from levy proceeds for all costs associated with providing this service, to include any costs associated with radio equipment or dispatching. In other words, PSERN would provide the radio infrastructure for our medics to respond and communicate. The EMS levy would reimburse Bellevue for cost of dispatch service (NORCOM) and radios for paramedics.

Question 3: *What is expected of the taxpayers? If the levy is for approximately \$245 million, how will it be raised?*

The PSERN project, including sites, equipment, labor, sales tax, contingencies and reserves will cost approximately \$245,848,020¹. The King County Executive is asking the King County Council to place a funding measure on the ballot as early as April 2015 to fund PSERN. Under the proposed levy lid lift, the current estimate of the impact of the ballot measure is 7.0 cents per \$1,000 of assessed value over nine (9) years.

Question 4: *What are the options if the City elects not to participate?*

If the City elects to not participate, the City could try to create its own system. There are a number of serious considerations if this route is selected. First and foremost, Bellevue would not be able to take any frequency spectrum from the current radio system, and it is unlikely that Bellevue could get any 800 MHz spectrum to build its own system. There is a frequency spectrum shortage and there are numerous challenges to get licensed spectrum in a standalone system.

Assuming the City were able to get spectrum, if the City opted out of the King County system, the City would be responsible for all the costs. The City would need to develop a funding mechanism to pay for the system. The costs in all likelihood are greater and the economies of scale gained by joint participation would be lost. In addition to these

¹ This figure is for the total project cost without financing. The total project cost with financing is approximately \$273 million.

financial considerations, interoperability issues would arise. The City would need to determine a method by which its system would be able to interact with other systems. Existing facilities may need to be purchased in order to create coverage in outlying areas. This would also mean that the City relationship with EPSCA would end. Alternatively, the City could become a subscriber agency. Under this model, the City would pay a subscriber fee, but would have no voice in the governance or operations. In other words, the City would have no say in what fees are being charged, what the costs are or how the costs are divided. By having an EPSCA representative on the PSERN board, the City would have an avenue to participate in governance and other decisions.

Question 5: *Since the fourth largest item in the PSERN budget is sales tax, Council asked, "Where does the (sales tax) revenue go?" Is it possible to spread a portion of the sales tax back to those that are funding the project?*

The question raised is a complex one. It depends on a number of factors such as what items are purchased, where they are delivered, and where they will ultimately be used. We are still investigating this issue, so at this time a definitive answer cannot be given. However, an initial investigation reveals it may be possible to spread a portion of the sales tax. We have raised the issue with King County and will work to try to resolve this issue with the other jurisdictions and the vendor.

Question 6: *Council inquired who else is working on the system-only Motorola? How compatible is the system and how up to date is it?*

Motorola is the prime contractor, and will have several sub-contractors working for it. Those sub-contractors include Alcatel Lucent (MPLS equipment), Aviat (Microwave Radio Equipment), General Dynamics (Civil Site Development), Day Wireless (Installation and maintenance support activities), Comdex Consulting (Radio programming) and Adcomm Engineering (FCC licensing). The system will be interoperable with all neighboring systems and have interoperable connections. Our interoperability will be much improved with the installation of PSERN. As indicated previously, this system is state of the art.

Question 7: *What exactly is Council being asked to approve?*

Council is being asked to approve an Interlocal Agreement and a Memorandum of Agreement between King County, the City of Seattle, Valleycomm cities and EPSCA cities regarding the implementation and governance of the PSERN radio replacement project. Approving these agreements does not mean that the Council is approving the ballot measure. These agreements are designed to ensure the continuation of an interoperable radio network with increased geographic coverage. Since the City is part of the countywide emergency radio system, the City must approve these agreements in order to remain a part of the system.

Under these agreements, EPSCA's role as an owner/operator in the current radio system will be eliminated and the role of EPSCA will change to that of supporting the new governance model. In other words, EPSCA will still exist but in a different capacity. The first ILA will govern the implementation of the new system and the process for

transferring users from the current system to the new system (“Implementation ILA”). During implementation of the new system and migration of users from the old to the new system, King County will be the lead agency responsible for overseeing the project. Since the second ILA, known as the Entity ILA, is not yet finalized, the parties have agreed to enter into a Memorandum of Agreement (MOA) which commits the parties to continue working on a draft ILA and the general principles that must be addressed. In principle, the new PSERN Entity ILA will address the following:

- All infrastructures, including radio tower sites, backhaul equipment, and dispatch consoles, are owned by PSERN.
- All subscriber radios (mobile and portable radios) are owned by the end user.
- All capital costs as well as initial replacement radios are covered by the countywide ballot measure. End users are responsible for subsequent replacement of radios as they are under the current system.
- Subscriber fees are paid to the new PSERN entity to cover all maintenance of the infrastructure and console equipment as well as all upgrade and update costs.

Should you have questions about this memo, please feel free to contact me, Joyce Nichols or Chief Risen.

cc: Brad Miyake
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