



WASHOE COUNTY

Integrity Communication Service

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CM/ACM _____
Finance _____
DA _____
Risk Mgt _____
HR _____
Other _____

STAFF REPORT

BOARD MEETING DATE: *March 13, 2018*

DATE: Wednesday, March 07, 2018

TO: Board of County Commissioners

FROM: Quinn Korbolic, IT Manager, Regional Services Division
Technology Services Department,
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THROUGH: Christine Vuletich, Assistant County Manager

SUBJECT: Possible action to adopt the Business Impact Statement for the 911 Surcharge increase with a finding, based on staff's recommendation, that the proposed surcharge increase does not impose a significant economic burden on a business; nor does the proposed fee directly restrict the formation, operation or expansion of a business. As proposed, the 911 Surcharge would be increased by \$0.60 to \$0.85 per month for each customer access line to the local exchange of a telecommunications provider, increased by \$0.60 to \$0.85 per month for each telephone number assigned to a customer of mobile telephone service, and increased by \$6.00 to \$8.50 per month for each customer trunk line to the local exchange of a telecommunications provider. (All Commission Districts.)

SUMMARY

Possible action to adopt the Business Impact Statement for the 911 Surcharge increase with a finding, based on staff's recommendation, that the proposed surcharge increase does not impose a significant economic burden on a business; nor does the proposed fee directly restrict the formation, operation or expansion of a business. As proposed, the 911 Surcharge would be increased by \$0.60 to \$0.85 per month for each customer access line to the local exchange of a telecommunications provider, increased by \$0.60 to \$0.85 per month for each telephone number assigned to a customer of mobile telephone service, and increased by \$6.00 to \$8.50 per month for each customer trunk line to the local exchange of a telecommunications provider.

Washoe County Strategic Objective supported by this item: Safe, Secure and Healthy Communities.

AGENDA ITEM # _____

PREVIOUS ACTION

On October 10, 2017 the Board adopted an ordinance amending Chapter 65 of the Washoe County Code (“WCC”) by expanding the permissible use of the 911 telephone line surcharge to include the purchase and maintenance of portable and vehicular event recording devices, and all other matters properly relating thereto.

On January 16, 2018, the Board adopted the Washoe County Board of County Commissioners’ Policy on the Use of 911 Surcharge Funds for the Body Camera Mandate Set Forth in Nevada Senate Bill 176 (2017).

On February 20, 2018 the Board adopted the Washoe County Regional 911 Emergency Response Advisory Committee Five Year Master Plan Update, prepared by the Galena Group Incorporated, as recommended by the 911 Emergency Response Advisory Committee (“911 Committee”) on January 18, 2018; and approved the 911 Committee’s recommendation to increase the 911 telephone line surcharge to \$0.85 per month for each customer access line to the local exchange of a telecommunications provider; \$0.85 per month for each telephone number assigned a customer by a supplier of mobile telephone service; and \$8.50 per month for each customer trunk line to the local exchange of a telecommunications provider.

On February 20, 2018 the Board approved a request pursuant to WCC 2.030 and 2.040 to initiate proceedings to amend WCC Chapter 65 in accordance with Senate Bill 176 from the 79th Legislative Session; and directed the County Clerk to submit the request to the District Attorney for preparation of a proposed ordinance to set the new E911 surcharge fee for phone lines/mobile service not to exceed \$1.00 per month and trunk lines not to exceed \$10.00 per month, and to specify that the allowable balance of the surcharge fund shall not exceed \$5,000,000.00. The Board also authorized the District Attorney to set the 911 surcharge rate by resolution in the amount of \$0.85 per month for each customer access line to the local exchange of a telecommunications provider; \$0.85 per month for each telephone number assigned a customer by a supplier of mobile telephone service; and \$8.50 per month for each customer trunk line to the local exchange of a telecommunications provider, as recommended by the 911 Committee, and as supported by the information and data provided in the Five Year Master Plan Update.

BACKGROUND

During the 2017 State of Nevada Legislative session, Senate Bill 176 (NV SB 176) was passed, amending Nevada Revised Statute (NRS) 289.830 to require uniformed peace officers who routinely interact with the public to wear portable event recording devices (body-worn cameras) while on duty. The City of Reno, the City of Sparks, and Washoe County have subsequently initiated portable event recording device programs within each of their respective law enforcement organizations. The portable event recording device programs must be in place and operational no later than July 1, 2018. With NV SB 176, the 2017 Legislature also amended NRS 244A.7643 to allow for the use of 911 telephone

line surcharge revenues for the purpose of paying the costs associated with the acquisition and maintenance of portable event recording devices and vehicular event recording devices.

Currently, the 911 telephone line surcharge is \$0.25 per month for each customer access line to the local exchange of a telecommunications provider, \$0.25 per month for each telephone number assigned to a customer of mobile telephone service, and \$2.50 per month for each customer trunk line to the local exchange of a telecommunications provider. Revenue from the current 911 surcharge is placed into a fund ("911 Fund") administered by Washoe County. Upon recommendation by Washoe County's 911 Emergency Response Advisory Committee ("ERAC"), the 911 surcharge fund is currently used to cover costs associated with 911 telecommunications services, equipment, software, personnel, and training necessary for the operations and maintenance of the enhanced 911 telephone system.

To adopt a 911 Surcharge under NRS 244A.7643, the Board of County Commissioners must first adopt a 5-year master plan. The 5-year master plan must include cost estimates for the enhancement (or improvement, as applicable,) of the county's telephone system for reporting emergencies and/or for the purchase and maintenance of portable event recording devices and vehicular event recording devices, as applicable. In 2017, Washoe County, upon the 911 Committee's recommendation, hired the Galena Group to provide an update to the five-year Regional 911 Master Plan. This update includes a five-year plan for the enhancement of the E911 telephone system, as well as an estimate of the costs of purchasing and maintaining body-worn and in-vehicle video recording devices, as required by NRS 244A.7643 as amended by NV SB 176 (2017). The updated Master Plan provides a thorough review of current operations, budgets, legal requirements, and future requirements of regional 911 emergency telephone systems, as well as and body-worn and in-vehicle event recording device programs within the City of Reno, City of Sparks and Washoe County. The updated Master Plan was presented to the 911 Emergency Response Advisory Committee on January 18, 2018. After thoroughly reviewing and deliberating over the plan's recommendations, the 911 Committee recommended that the Board of County Commissioners set the 911 Surcharge to \$0.85 per month for each customer access line to the local exchange of a telecommunications provider, \$0.85 per month for each telephone number assigned to a customer of mobile telephone service, and \$8.50 per month for each customer trunk line to the local exchange of a telecommunications provider, in order to provide sufficient funding for the planned 911 telephone system enhancements and the purchase and maintenance of body cameras and in-vehicle cameras.

As proposed by the 911 Committee, the 911 Surcharge would be increased by \$0.60 to \$0.85 per month for each customer access line to the local exchange of a telecommunications provider, increased by \$0.60 to \$0.85 per month for each telephone number assigned to a customer of mobile telephone service, and increased by \$6.00 to \$8.50 per month for each customer trunk line to the local exchange of a telecommunications provider.

In accordance with NRS 244A.7645, as amended by NV SB 176 (2017), revenue collected from the 911 surcharge shall be used to enhance the 911 emergency telephone system and to pay for allowable expenses associated with the portable event recording device (body-worn and vehicle-mounted cameras) programs at the City of Reno Police Department, the City of Sparks Police Department, the Washoe County Sheriff's Office and the City of Reno and City of Sparks Municipal Courts' Marshals.

With respect to the 911 telephone system for reporting an emergency, 911 surcharge revenue may only be used for:

- Paying recurring and nonrecurring charges for telecommunication services necessary for the operation of the enhanced telephone system;
- Paying costs for personnel and training associated with the routine maintenance and updating of the database for the system;
- Purchasing, leasing or renting the equipment and software necessary to operate the enhanced telephone system, including, without limitation, equipment and software that identify the number or location from which a call is made; and
- Paying costs associated with any maintenance, upgrade and replacement of equipment and software necessary for the operation of the enhanced telephone system.

With respect to purchasing and maintaining portable event recording devices and vehicular event recording devices, 911 surcharge revenue may only be used for:

- Paying costs associated with the acquisition, maintenance, storage of data, upgrade and replacement of equipment and software necessary for the operation of portable event recording devices and vehicular event recording devices or systems that consist of both portable event recording devices and vehicular event recording devices.

If revenue from the 911 telephone line surcharge exceeds the costs associated with supporting the enhanced 911 telecommunications system and the portable event recording device programs, the 911 Fund may, as authorized by NRS 244A.7645, as amended by NV SB 176 (2017), accrue to a balance of \$5,000,000. If the fund exceeds \$5,000,000 at the end of any fiscal year the board of county commissioners shall reduce the amount of the surcharge imposed during the next fiscal year by the amount necessary to ensure that the balance in the fund at the end of the next fiscal year does not exceed \$5,000,000.

NRS 237.080 requires that before a governing body adopts any rule, the governing body or its designee must "make a concerted effort" to determine whether the proposed rule will impose a direct and significant economic burden upon a business or directly restrict the formation, operation or expansion of a business. The proposed increase to the 911 Surcharge qualifies as a rule under NRS 237.060 as the fee will be "paid in whole or in substantial part by businesses". NRS 237.080 requires the County to notify trade associations or owners and officers of businesses about the proposed rule and that they may submit data or arguments about whether the proposed rule will impose a direct and

significant economic burden upon a business or directly restrict the formation, operation or expansion of a business.

Project staff prepared a legal ad (Attachment A) and a detailed notice (Attachment B), and a mailed notice (Attachment C). The legal ad and notices were specifically designed to request and collect comments, arguments or data on whether the proposed rule will impose a direct and significant economic burden upon a business or directly restrict the formation, operation or expansion of a business. Comments, arguments and data were also solicited through Washoe County's website and social media. On December 11, 2017, staff also conducted two public workshops to provide notice of the upcoming 911 surcharge increase and collect public response.

While Washoe County staff did receive comments from individuals, no businesses submitted comments, arguments or data. Despite the lack of response, staff prepared the Business Impact Statement as required by NRS 237.080 (Attachment D). The prepared Business Impact Statement contains all information required by NRS 237.090. After a thorough review of the potential impacts to businesses of an increased 911 Surcharge, including an increase of \$0.60 for individual land and mobile telephone lines and an increase of \$6.00 for trunk lines, staff has determined that the surcharge increase will not restrict the formation, operation or expansion of businesses in Washoe County.

FISCAL IMPACT

All revenue collected from Washoe County's 911 surcharge is deposited into the 911 Fund account which is dedicated solely to expenses authorized for the fund by NRS 244A.7645. The 911 Fund Cost Center is C800801, revenue will be deposited in GL accounts 460351, 460352, and 460353 for mobile, land, and resale lines, respectively.

In total, the proposed increase of the 911 Surcharge will result in annual revenue of approximately \$5,267,700. This projection is based on the total number of land, mobile, and trunk lines reported in 2017. The actual revenue may vary depending on demographic shifts, business formation/dissolution, and changes in telecommunications technology.

RECOMMENDATION

It is recommended that the Board of County Commissioners adopt the Business Impact Statement for the 911 Surcharge Increase with a finding that the proposed increase of the 911 Surcharge does not impose a significant economic burden on a business; nor does the proposed fee directly restrict the formation, operation or expansion of a business. As proposed, the 911 Surcharge would be increased by \$0.60 to \$0.85 per month for each customer access line to the local exchange of a telecommunications provider, increased by \$0.60 to \$0.85 per month for each telephone number assigned to a customer of mobile telephone service, and increased by \$6.00 to \$8.50 per month for each customer trunk line to the local exchange of a telecommunications provider.

POSSIBLE MOTION

Should the Board agree with staff's recommendation, a possible motion would be:
"Move to adopt the Business Impact Statement for the 911 Surcharge Increase with a finding that the proposed increase of the 911 Surcharge does not impose a significant economic burden on a business; nor does the proposed fee directly restrict the formation, operation or expansion of a business. As proposed, the 911 Surcharge would be increased by \$0.60 to \$0.85 per month for each customer access line to the local exchange of a telecommunications provider, increased by \$0.60 to \$0.85 per month for each telephone number assigned to a customer of mobile telephone service, and increased by \$6.00 to \$8.50 per month for each customer trunk line to the local exchange of a telecommunications provider.