



Staff Report

File #: 19-49

Version: 1

Date: 1/28/2019

Item #: 3.2a.

TO: Mayor and City Council

THROUGH: Steve Powers, City Manager

SUBJECT:

Transfer of appropriation to facilitate replacement of the 9-1-1 telephone system.

Ward(s): All Wards

Councilor(s): All Councilors

Neighborhood(s): All Neighborhoods

Result Area(s): Safe Community

ISSUE:

Shall the City Council adopt Resolution 2019-13 transferring \$1,016,470 of appropriation from General Fund, Non Departmental, contingency to General Fund, Non Departmental, capital outlay for the purpose of facilitating replacement of the 9-1-1 telephone system.

RECOMMENDATION:

Adopt Resolution 2019-13 transferring \$1,016,470 of appropriation from General Fund, Non Departmental, contingency to General Fund, Non Departmental, capital outlay for the purpose of facilitating replacement of the 9-1-1 telephone system.

SUMMARY:

State law allows the City Council to approve transfers of appropriations within the limits established by the adopted budget to address unforeseen changes.

Approval of Resolution 2019-13 allows the purchase of a new 9-1-1 telephone system for the Willamette Valley Communication Center. A change in Oregon Administrative Rule (OAR) by the Oregon Office of Emergency Management (OEM) has complicated the City's plan for replacing the telephone system and requires the recommended transfer of budget appropriation.

At this time, there is no expectation the cost of the new telephone system will be posted as an actual expense to the General Fund budget. Instead, the OEM will pay the vendor directly. The transfer of appropriation authority complies with the City's purchasing practices by aligning a purchase order

with corresponding budget authority.

FACTS AND FINDINGS:

The Oregon Office of Emergency Management (OEM) pays for telephone systems that support 9-1-1. Changes to Oregon Administrative Rules (OAR) Chapter 104 Division 80 that go into effect July, 2019, require Public Safety Answering Points (PSAP) to procure and pay for telephone system replacement and maintenance, and then seek reimbursement from OEM. The City has had a replacement telephone system planned for WVCC in FY 2019.

The changes to the OEM's process require the City to coordinate the purchase with the vendor including the commitment to pay through a purchase order. Despite requiring the City to issue the purchasing documents, the OEM has committed to paying the vendor directly.

The City's practice when creating a purchase order obligation is to ensure corresponding budget - or appropriation - authority. The \$1,016,470 purchase cost was not planned as an appropriation authority need in the FY 2019 budget. The recommendation provides the appropriation authority to create the purchase order commitment.

BACKGROUND:

Telephone subscribers pay 75 cents per access line on a monthly basis. This tax revenue is collected and managed at the state level by the OEM within its 9-1-1 Program Section. Thirty-five percent of tax collection is placed in a special sub-account dedicated to funding the 9-1-1 network infrastructure and the telephone systems used within the Public Safety Answering Points (PSAPs) commonly known as the 9-1-1 centers, per Oregon Revised Statute (ORS).

The City of Salem operates a PSAP - the Willamette Valley Communications Center. Historically, replacement of 9-1-1 telephone system was facilitated by OEM, handling procurement and payment using funds from the sub-account per Oregon Administrative Rule (OAR) Chapter 104 Division 80.

In May 2018, OEM announced concerns regarding the long-term stability of the state's 9-1-1 sub-account. Effective immediately, all OEM equipment purchases ceased until the rule changes were completed. The rule changes will take effect July 1, 2019.

OEM had already approved replacement of WVCC's de-supported system and agreed to fund the replacement system and directly pay the selected vendor, if the City of Salem proceeded immediately. The City would be required to perform the system procurement with the contract between the City of Salem and the vendor, and not include OEM.

The 9-1-1 telephone system is available through the HGACBuy Cooperative purchasing service, of which the City of Salem is a member.

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Attachments:

1. Resolution 2019-13