

## Appendix A to Agreement to Create the Chittenden County Public Safety Authority

### FIRST AMENDED MEMORANDUM OF UNDERSTANDING (MOU) ON COST SHARING

#### A. Introduction.

This First Amended Memorandum of Understanding (MOU), appended to the Agreement to Create the Chittenden County Public Safety Authority as Appendix A, describes the agreed cost-sharing mechanism among Members. Each Member ~~shall~~ ratify ~~separately~~ adopted and ratified the initial version of this MOU as a condition of receiving dispatch and other services from the Chittenden County Public Safety Authority (the "CCPSA"). Terms used in this First Amended MOU shall have the same meaning attributed to them in the Agreement.

~~B. Initial Contributions. There is an Initial Contributions Phase which shall commence upon the effective date of the Agreement and continue until all Members have received dispatch service from CCPSA for two (2) full fiscal years. During the Initial Contribution Phase:~~

- ~~(1) Member communities shall contribute those financial resources budgeted by their communities to provide dispatch operations, plus any additional funds a Member is willing to contribute for the benefit of CCPSA.~~
- ~~(2) Since not all Members presently have separate and distinct dispatch budgets, the CCPSA budget during this Initial Contribution Phase shall be substantially comprised of discretionary contributions by Members. For Fiscal year, 2015-2016, these costs have been developed, agreed to and disclosed as Direct Costs of Dispatch by members of the Joint Survey Committee for the Chittenden County Public Safety Authority, on behalf of their member communities.~~
- ~~(3) The Members anticipate that during this Initial Contribution Phase the CCPSA budget will grow annually at the approximate rate of dispatch budget growth in the Member municipalities.~~
- ~~(4) It is further anticipated that for up to the first two years in which dispatch services are provided by CCPSA, costs will be funded from already approved municipal budgets.~~

~~If all Members have not received service for two full years after the initial two-year period of CCPSA dispatch service operations, subsequent initial funding shall be budgeted by the CCPSA Board in a manner such that any increase in a Member's initial contribution in comparison to its current dispatch budget will be approximately equal to the average increase in Member municipal dispatch budgets~~

~~generally. Any percentage increase shall be applied equally to all Members during the extended initial funding period.~~

- ~~(5) Any deficits that accrue during the Initial Contributions Phase prior to the implementation of the Long Term Contributions shall be equitably apportioned among those Members to which CCPSA provided dispatch services during the Initial Contributions Phase.~~

### ~~C. Long Term Contributions.~~

#### ~~D.B. Contribution Formula~~

~~After~~Prior to receiving Police, Fire and Rescue Dispatch Services from CCPSA, all CCPSA members shall agree to be subject to the Initial Contributions Phase (i.e., when all Members have received dispatch service from CCPSA for two (2) full fiscal years), the Long Term Contributions formulaFormula set forth below, which shall thereafter commence and continue unless and until modified by the Board.

- (a) ~~Step 1: Following the first one (1) full fiscal year in which all Members have received dispatch service from CCPSA,~~Step 1: The CCPSA Board shall determine net costs of the CCPSA, aggregating all CCPSA operating expenses, capital expenses, capital reserve contributions, grant revenues, public safety answering point (PSAP) revenues, contract revenues, excess initial contribution repayments and any CCPSA deficits or liabilities.
- (b) Step 2: ~~Determine~~The CCPSA Board shall determine the three-year rolling average of calls for service in each Member community (regardless of whether the Member received service from CCPSA during that period) expressed as a percentage:
- i. "Calls for service" in member communities shall ~~be defined as: Calls~~mean calls for any emergency service agency (including non-municipal agencies serving the community) in a community, including police, fire, and rescue services. Calls for service shall be counted per agency responding, and not per incident, shall include agencies responding to mutual aid calls, and shall include any call that reasonably causes a public safety employee to take an action or expend agency resources, whether agency-initiated or citizen-initiated.
  - ii. To avoid a charge back through the County tax, the Chittenden County Sheriff's Department shall not pay for calls.
- (c) Step 3: ~~Apportion~~The CCPSA Board shall apportion Step 1 net costs based on Step 2 percentages, as defined above.

For example: If the CCPSA's net cost for a fiscal ~~year after the Initial Contributions Phase~~ is \$3.1M and the three-year rolling average of calls totals 143,652, and the Town of Colchester has 16,373 average annual calls for service during the same time period, Colchester's proportional share of the net costs would be 11.4%, or \$353,328.

### **C. Reimbursement for Excess Initial Contributions**

Member communities that provide contributions –toward startup and operating expenses ~~beyond over and above~~ their base Initial Contributions (i.e., "~~excess initial contributions~~" "Excess Initial Contributions"), shall be entitled to reimbursement from those communities that did not make Excess Initial Contributions. Such reimbursement may occur over a five to ten year period, based on an individual Member community's contributions and all Members' shares, utilizing the steps described below.

(1) Step 1: ~~Determine~~ CCPSA's Board shall determine aggregate Excess Initial Contributions of all Members.

~~(1a)~~ Excess Initial Capital Contributions may include contributions of "capital equipment."

i. Capital equipment shall include, but is not limited to, the following:

Computer aided dispatch software purchase and license fees, including alteration thereof to serve more than one member of regional dispatch in linking to 911; GIS; law enforcement records management; fire records management; station alerting; NCIC/VCIC and related databases; voice logging and recording systems; facility improvements; electrical, telecom or IT wiring; telecom equipment; furniture; servers and IT network infrastructure; radio equipment; PSAP equipment, including design or engineering costs related to any of the above.

ii. To qualify for reimbursement under this section, the contributed capital equipment must have had more than a one-year useful lifespan or a value greater than \$5,000 at the time of purchase. Multiple single items contributed contemporaneously must have an aggregate value of more than \$5,000.

iii. Capital equipment contributions must have been made and the equipment must be in use by regional dispatch before long term funding contributions by Members are required.

iv. Capital equipment purchased prior to July 1, 2017 shall not be eligible for contribution. All equipment purchased prior to such date which is usable and desired by CCPSA shall be contributed as a part of local dispatch transition at no charge or cost to CCPSA.

(b) Qualifying excess contributions are contributions that exceed (1) the municipally budgeted operating costs or (2) assessments paid by the Member municipality as Initial Contributions. Such contributions may include, but are not limited to, funding earmarked for new CCPSA dispatch resources such as managers, trainers, an executive director, or IT

staff or for specific operating costs such as rent, utilities, consulting and other related costs and fees.

(c) Credit for making Excess Initial Contributions must be requested by the contributing Member within 90 days of the creation of CCPSA (if the contribution was made prior to the creation of CCPSA) or within the 60 days prior to the contribution, if it is made after the expenditure and following the creation of CCPSA. CCPSA's Board shall consider such requests and provide written notice to the contributing Member regarding eligibility for reimbursement under this subsection within 60 days of such ~~notice~~request. In the event that a Member is aggrieved by a determination of the CCPSA Board regarding the eligibility of a contribution for reimbursement, the aggrieved Member may appeal to the Board within 30 days of the date of such notice. If an appeal is submitted, the Board shall hold a hearing on the appeal as provided in the Agreement.

(2) Step 2: Allocate the aggregate Excess Initial Contributions among all Members based on a three-year rolling average of call percentages to determine the first year's net costs.

(3) Step 3: Determine payback for, or contributions required to pay others back -for, Excess Initial Contributions based on actual contributions of such resources, as designated and acknowledged by the CCPSA Board.

(4) Step 4: Combine formula funding with payback of excess initial contributions to determine net funding, and determine payback period such that reimbursement occurs over the shortest possible ~~time without triggering the "Smoothing Formula," described below.~~ Reimbursement for Excess Initial Contributions shall be accomplished in ten years or less from the date that notice of eligibility is provided.

#### ~~1) Smoothing Formula~~

~~Notwithstanding the above, if the Long Term Contribution formula, after accounting for reimbursement for Excess Initial Contributions, will increase any Member's contribution requirement (including operating and capital expenses) by 5% or more in the first year such formula is employed, the Members agree:~~

~~(a) The Long Term Contribution formula shall be implemented over a period not to exceed six years; the goal being to implement the formula in as short a period as possible, so that the impact of the formula on any single Member community will increase its contributions by no more than 4.9% annually.~~

~~(b) This Smoothing Formula shall only apply to Member communities for which CCPSA was providing all dispatch services in the year before the formula is implemented.~~

~~(c) For all eligible communities, the following steps shall apply.~~

~~i. Step 1: Determine whether net funding plus reimbursement of Excess Initial Contributions for the upcoming fiscal year will cause any Member community's budgeted contribution to increase by 5% or more.~~

~~ii. Step 2: If any Member community would pay an increase of 5% or more in the first year of transition from Initial Contribution to Long Term Contribution, to the extent reasonably practicable and consistent with the limitations set forth above, the Long Term Contribution formula shall be adjusted as needed to modify the year-over-year increase in budgeted contribution to no more than 4.9%. However, this Step shall not be implemented if it causes additional Member communities to incur an increase of more than 4.9%.~~

~~iii. Step 3: When the Smoothing Formula may be implemented, calculate each affected Members' adjusted funding obligations by:~~

~~(a) Converting the increase in contribution to a dollar amount;~~

~~(b) Determining the percentage of calls in all Member communities, excluding other Member communities subject to smoothing, by totaling calls in such communities.~~

~~(c) Multiply the figure derived from (a) above by (b) above to determine the financial contribution of each non-smoothing Member community to the formula.~~

~~Add smoothing funding to net funding to obtain adjusted funding~~

### **E.C. MOU Adoption and Amendment.**

(1) This MOU shall be approved by an affirmative vote of the majority of the CCPSA Board.

~~(1)~~(2) Each community wishing to be a Member shall, by action of its legislative body, ratify this MOU before the Member community may receive police, fire and rescue services from the CCPSA.

~~(2)~~(3) Following initial adoption and ratification, this MOU may be amended by an affirmative vote of the majority of the CCPSA ~~board~~Board, subject to ratification by the legislative bodies of those Members who comprise said majority. All amendments or modifications to this MOU shall be in writing.