

## **Newaygo County Compliance Review July 2007**

At the November 2003 meeting of the Michigan Emergency Telephone Service Committee (ETSC), the ETSC voted to conduct random compliance reviews of 9-1-1 expenditures of Michigan Counties. These reviews would be for expenditures of funds generated through the provisions of the amended 9-1-1 Act, PA 32 of 1986 (PA 32). County 9-1-1 revenues include: wireless revenues distributed to counties through the State; revenues collected through county 9-1-1 surcharges on land line phones; and dispatcher training funds distributed to primary public safety answering points (PSAPs).

On November 30, 2006, the ETSC Certification Subcommittee randomly selected Newaygo County for a compliance review. Subcommittee members Charon\*, Gribler, Leese, Martin, and Miller-Brown were named to the Newaygo County Compliance Review Team by the chair. The years 2004, 2005, and 2006 were chosen as the time period for the focus of the review.

On December 6, 2006, a letter advising Newaygo County of its review was sent to the 9-1-1 Director, Mr. Peter LeFavour at the Newaygo County Central Dispatch. The letter requested the following information from Newaygo County:

- The Newaygo County 9-1-1 plan
- Copy of the most current policy and procedures for Newaygo County Central Dispatch
- A copy of the 2004, 2005 and 2006 9-1-1 budgets
- Copies of budgetary reports or journals, including all line items for 9-1-1 funds receipts and expenditures
- Copy of indirect costs, if they are being charged to 9-1-1
- Copy of wireless training funds, revenue journal entries and expenditures, and completed ETSC 510 forms from 2004 to date
- Name of a contact person to serve as a coordinator for this review
- Written description of fund distribution (wireless and landline)

The requested information was received by the State 9-1-1 Administrator's Office in a timely and very organized manner.

### **Background**

Newaygo County operates the Newaygo County Central Dispatch, which receives the entire 9-1-1 call volume and dispatches for all emergency service providers within the geographical boundaries of Newaygo County. Operating policy and procedures are established through the Newaygo County Central Dispatch Authority. There are written policies in place for operations, including a policy on dispatching the closest car to calls for service.

Newaygo County implemented Enhanced 9-1-1 in 1992. The county became Phase I wireless 9-1-1 compliant in 2004. Phase II wireless 9-1-1 was also deployed in 2004 and 2005. Newaygo County dispatches for seven police departments, (including the Newaygo County Sheriff Department, Freemont Police Department, Hesperia Police Department, White Cloud Police Department, Grant Police Department, Newaygo City Police, MSP-Newaygo Post), two emergency medical service (EMS), and 11 fire departments.

The Newaygo Central Dispatch computer aided dispatch (CAD) and telephone equipment is not capable of tracking detailed total call and incident volume. However, based on the information that was provided, Newaygo County received an estimated 9338 9-1-1 calls in 2007. Newaygo County employs nine full-time dispatchers, one part-time dispatcher, one full-time assistant director and a full-time director.

The dispatch center is located in the Newaygo County Complex in White Cloud and shares a building with Department of Social Services and Probation and Parole. The Dispatch Center

moved into the new building on June 10, 2003. Maintenance and facility services are provided through the county.

A combination of landline and wireless 9-1-1 money provide the revenue for Newaygo County Central Dispatch's (NCCD) operational costs. The landline and wireless 9-1-1 surcharge that were the subject of this review was collected on the basis of a vote to Newaygo County citizens. At the time of the on site review, the 9-1-1 landline collection is \$3.00 monthly. The first 9-1-1 landline surcharge election was passed in 1992. Since the wireless 9-1-1 distributions began in 2000, Newaygo County has been certified by the ETSC as eligible to receive its portion of state wireless 9-1-1 funds.

## **Review Process**

A pre-review meeting was conducted May 4, 2007 with compliance review team members and Director Pete LeFavour. General information on the center and its funding were discussed.

Meeting with Pete LeFavour, 9-1-1 Director, Donna Kipp, Treasurer's Office, Sue Carson, General Accounting July 27, 2007

Mr. LeFavour, Ms. Kipp, and Ms. Carson reviewed the accounting documentation from 2003 through 2005 with the compliance review team members. Ms. Kipp also provided the team with a summary report of each year of the review. The summary report and accounting documentation confirmed that each 9-1-1 fund; wireless revenue, land line revenue, and dispatcher training revenue, was logged and tracked through its own cost center.

The review team found that the county does not credit the NCCD operation the interest that it receives on investments of 9-1-1 funds. As statute requires that 9-1-1 funds be used *exclusively* for 9-1-1 (MCL 484.1406[1]), it is necessary that all interest generated on the 9-1-1 funds held by the county be credited to NCCD. In a memo dated September 17<sup>th</sup>, 2007, the county was directed to create a revenue line item for the NCCD operating fund for the interest and to credit that line item for interest collected on the 9-1-1 surcharge funds from the beginning of fiscal year 2007 and to continue interest payments in the future. This change and transfer has been confirmed. The summary reports and accounting reports confirmed that fund balances remaining at the previous budget year were carried over in the respective fund account into the next budget year.

July 27<sup>th</sup><sup>d</sup> visit to Newaygo County dispatch center.

Dispatchers Joe Gerencer and Erin Washburn were on duty on the morning the compliance review team was at the center. The center has three full consoles. The consoles have radio functions, CAD, 9-1-1 call screens, and mapping for wireless 9-1-1 calls. The 9-1-1 phone system is capable of taking Phase I and II wireless 9-1-1 calls. The phone system also interfaces with the CAD and mapping systems.

There is an emergency generator and all critical equipment is connected to the generator and a system UPS. There is an extended-time recorder that logs radio and telephone phone transmissions. Each dispatcher also has access to short-term audio play-back at their consoles.

Dispatch staff has close access to the restroom and a break area. There are usually two dispatchers on duty. Policies and other manuals are kept on each computer. Dispatchers enter warrants and answer the Silent Observer Line (neither function interferes with emergency operations). While EMS calls are transferred to two hospital ambulance services for pre-arrival instructions, the NCCD dispatchers are trained for emergency medical dispatch through the National Academy of Emergency Medical Dispatch (NAEMD).

The dispatch center has its own secure entrance. Consisting of about 3,200 square feet, it houses the communications room, 9-1-1 supervisor's office, director's office, conference room, locker/restroom, equipment room, and break room.

## Newaygo County Dispatch Center Summary

Annual Operating Budget for FY2004 = \$1,248,794  
Annual Operating Budget for FY2005 = \$ 930,709  
Annual Operating Budget for FY2006 = \$ 855,383

Wireless 9-1-1 Payments 2004 = \$110,047  
Wireless 9-1-1 Payments 2005 = \$119,256  
Wireless 9-1-1 Payments 2006 = \$132,350

9-1-1 Land Line Surcharge 2004 = \$745,845  
9-1-1 Land Line Surcharge 2005 = \$789,160  
9-1-1 Land Line Surcharge 2006 = \$721,347

### Landline 9-1-1 Surcharge Funds

The landline surcharge funds are remitted into a separate account (County Fund #325) and then used for the regular operating budget of NCCD. The funds are used to pay for the day-to-day operations of the 9-1-1 center. These costs include: utilities, radio system maintenance, dispatching staff wages and benefits, dispatch computers, dispatch center LEIN, office supplies, memberships and subscriptions directly related to 9-1-1, generator expenses, and telephone costs. Costs of facility, utilities, computer support, accounting and payroll/benefits administration are paid for by NCCD to the county through the charge back of indirect costs as calculated by a third party contracted by the county (Maximus, Inc.).

In each budget year that was the subject of this compliance review, fund balance existing from previous years from the NCCD fund was used to meet the budget shortfalls, rather than increasing landline surcharges.

### Wireless 9-1-1 Funds

Wireless funds are remitted into a separate account (County Fund #326) and then used for the regular operating budget of NCCD as outlined above for landline surcharge.

### Training Funds

All wireless training funds are receipted and maintained in a separate account (County Fund #3265).

The 2001 and 2002 training funds were not used within the two-year time limit established by the ETSC, making Newaygo County ineligible for 2003 and 2004 training money. The copies of training invoices from 2003-2006 were requested and it was found that there were funds used that were not reported and items that were reported that were not eligible expenses. Please refer to the attached Newaygo County Central Dispatch Training Funding Audit report.

### Training Fund Distribution

Total Distribution for 2001 & 2002 =	\$ 7,231
Training Fund Distribution 2003 =	\$ 0
Training Fund Distribution 2004 =	\$ 0
Training Fund Distribution 2005 =	\$ 6,308
Training Fund Distribution 2006 =	\$ 0
TOTAL Distribution 2001-2006 =	\$ 6,308

### Training Fund Expenditures

Training Fund Expenditures 2003 = \$ 1,014  
Training Fund Expenditures 2003 = \$ 349

Training Fund Expenditures 2004 = \$ 4,070  
Training Fund Expenditures 2005 = \$ 2,952  
Training Fund Expenditures 2006 = \$ 2,784  
TOTAL Expenditures 2003-2006 = \$ 11,169

## Findings and Final Summary

The Newaygo County 9-1-1 Plan was enacted in May of 1992. The Plan is current and in compliance with P.A. 32. The 9-1-1 plan creates the Newaygo County Central Dispatch Authority. The Central Dispatch Authority Board meets on a quarterly basis and facilitates communication and coordination of Newaygo County Central Dispatch in matters of county-wide 911 interests. The Authority Board oversees dispatching policy and procedure, but does not have direct fiscal oversight of NCCD. The board consists of the undersheriff, a representative of the Michigan State Police, a firefighter-first responder representative, an emergency medical services (EMS) representative, a township supervisor, a Newaygo County commissioner, the Newaygo County finance chairperson, an emergency medical representative, and Newaygo County Administrator.

### *Necessary Corrective Action:*

The review team found that the county does not credit the Central Dispatch operation the interest that it receives on investments of 9-1-1 funds. As statute requires that 9-1-1 funds be used *exclusively* for 9-1-1 (MCL 484.1406[1]), it is necessary that all interest generated on the 9-1-1 funds held by the county be credited to Central Dispatch. The county was directed to create a revenue line item for the Central Dispatch fund for the interest and to credit that line item for interest collected on the 9-1-1 surcharge funds from the beginning of fiscal year 2007. (The county provided documentation to confirm this was done). Additionally, the summary reports and accounting reports confirmed that fund balances remaining at the previous budget year were carried over in the respective fund account into the next budget year

A letter was sent to the Newaygo County Board of Commissioners on September 17, 2007 making the request for interest on investments made with 9-1-1 funds to be credited back to NCCD.

### *Recommended Action:*

- 1) The Compliance review team could not ascertain the terms of the agreement between the county and Central Dispatch for the office space used by Central Dispatch. It is recommended that the county take some type of formal action to establish the parameters (i.e. cost, square footage, agreement duration, etc.) of the space rented to Central Dispatch for its operations.
- 2) The Compliance review team performed an audit of the Newaygo County training fund expenditures from 2003-2006. It is strongly recommended that the training funds be audited on the county level once per year. The review team found unapproved course invoices that had been reported on the Dispatcher Training Fund Distribution application and also approved courses that were not reported but were attended and paid for by the county. The Training Fund documentation for NCCD has been adjusted and provided to NCCD for future use in tracking its Training Fund use.

Additionally, while there has recently been a formal documented training program put into place for new dispatchers. But as evidenced by the lack of ETSC Training Fund usage, there is little ongoing training for dispatchers after the initial training period. A system of regular training for veteran dispatchers should be implemented.

- 3) Any future upgrades to telephone equipment or CAD system should include the capacity to track call and incident data. This would include call and incident volume,

call source and type, and other relevant data (such as abandoned calls, time to answer, etc.).

- 4) NCCD should also develop and implement policies for an emergency back-up system/plan and a policy audio release and storage.

In closing, based upon the documentation requested, made available to, and reviewed by the committee, Newaygo County and its 9-1-1 operation are in compliance with the requirements of PA 32 of 1986, as amended.

Submitted By:

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\* Mr. Charon's unexpected death occurred prior to the issuance of the Newaygo County Compliance Review Report.