

Regular Meeting Minutes
Spokane Regional Emergency Communications Governing Board
October 17, 2024

1. Call to Order and Roll Call

Chief Cody Rohrbach called the meeting to order at 8:00 a.m. The following Board members were in attendance:

Board Members

Chief Cody Rohrbach – Spokane County Fire District 3 (Chair)
Chief Brad Richmond – Airway Heights Police Department (Vice Chair)
Undersheriff Michael Kittilstved – Spokane County Sheriff's Department
Chief Dave Ellis – Spokane Valley Police Department
Assistant Chief Tom Williams – Spokane Fire Department
Chief Frank Soto, Jr. – Spokane Valley Fire Department
Assistant Chief Howard Johnson – Spokane County Fire District 4
Scott Simmons – Spokane County
Maggie Yates – City of Spokane
Gayne Sears – Citizen Representative

Staff

Lori Markham, Executive Director
Kim Arredondo, Deputy Director
Dusty Patrick, Technical Services Director
Heather Thompson, 911 Operations Manager
Brandon Childs, Project Manager
Jeff Tower, HR Manager
Tim Henry, Finance Manager
Kari Kostelecky, Training Coordinator
Kelly Conley, Communication and Media Manager
Jenni Folden, Finance Analyst
Breann Kostelecky, Public Records Specialist
Randy Langford, Radio System Manager

Auxiliary Partners

Brian Werst, WBM
Michael McNab, SPD
Kevin Hall, SPD
Kim Blashill, SPD
Todd Pouncey, SPD
Don Malone, SCFD10
Nathan Jeffries, SCFD9
Lonnie Rash, SCFD8
Mike Kester, SVFD
Erik Lamb, Spokane Valley
Morgan Koudelka, Spokane Valley
John Pietro, Spokane Valley
Patrick Erickson, SVFD

2. Consent Agenda

Dave Ellis motioned to approve the minutes from the September 19, 2024, regular meeting. Scott Simmons seconded. All were in favor. Motion carried.

3. Action Items

a. Budget Amendment

Lori Markham explained that last month the Board approved her to sign the purchase sale agreement (PSA) for the new facility and they are now in the due diligence phase and anticipate closing by the end of the year; the cost of the building is \$9.11M. The proposed amendment includes authorizing use and releasing of funds from the capital facility reserve of \$5.8M and the elimination of the budgeted capital facility reserve contribution of \$3M for 2024. Lori added that per policy money being designated to reserves or being moved out of reserves needs to be done through a resolution. Lori explained that is the second part of this, first approve the amendment and second approve the resolution to move the \$5.8M out of reserves so it is available to purchase the facility. Scott Simmons motioned to approve budget amendment #3 to the capital and budget improvement plan of \$5.8M. Dave Ellis seconded. All were in favor. Maggie Yates and Tom Williams abstained from the vote. Motion carried.

b. Resolution 2024-02

Lori Markham stated the resolution moves \$5.8M out of the capital reserves and makes it available to use towards the purchase of the new facility as presented in budget amendment #3. Brad Richmond motioned to approve Resolution 2024-02. Howard Johnson seconded. All were in favor. Maggie Yates and Tom Williams abstained from the vote. Motion carried.

4. New Business

Lori Markham explained the draft budget was presented at the last Board meeting and was included in this meeting's packet. It is a second look for the Board and if the Board is comfortable, we can approve it today, otherwise there will have to be a special meeting held to approve the budget by November 1st, in accordance with SREC's bylaws. The bylaws state that the SREC budget must be adopted by November 1st.

5. Old Business

a. 2025 Draft Budget

Scott Simmons presented the draft budget and explained the finance committee had reviewed the budget proposal a number of times. Scott explained there continues to be softness in the economy and a significant portion of the revenue for SREC are taxes (911 excise and 1/10th). The County is seeing a slow growth in sales taxes and projected a 2% growth for 2024 but is experiencing a less than 1% growth. Next year the county is only projecting a 1% growth based on 2024 numbers, so will keep the budget flat for 2025. Similarly, there is no significant changes in the 911 excise tax. There is work at the legislative level to help capture devices that are being used but not subject to the 911 excise tax. Charges for member agencies have been presented to the LCAB (law communications advisory board) and FCAB (fire communications advisory board) groups. Lori Markham explained that at last month's finance meeting two versions of the budget were discussed, one proposing no change in user fees and the other a small increase in user fees, roughly \$300,000. The increase in user fees would be to help offset some of the debt services SREC anticipates along with the projected flat and even decrease in revenue from taxes. The committee thought it would be better to have small incremental increases, then a large jump in user fees when the time comes to start paying back those debt services for the facility. The FCAB and LCAB groups all agreed to increase the user fees incrementally. Scott reminded the Board the three main revenue streams for SREC are the 911 excise and 1/10th taxes and then the delta is made up by the user fees. Invested income is also projected to decrease as SREC spends down those reserves balances and rates are changing.

There is an anticipated need of roughly \$9M in 2025 for the acquisition and remodeling of the new facility. It is anticipated that \$14.95M of designated reserves will be used for the new facility and CAD system, and \$1.92M of operating reserve (unrestricted) will be needed to balance the 2025 budget. Salary and benefits are increasing for 2025. Negotiations are currently underway and as discussed at last months meeting, medical continues to increase and benefits collectively account for 40%. Supplies and services have a proposed 1% increase reflecting CAD coming online in the later part of 2025. Capital outlay increase includes the new facility and remainder of CAD.

The reserve and fund balance page includes a two year look at reserves and Scott reminded the Board the reserves consist of an operating reserve, three months of operating expenses, CAD reserve, facility reserve and an unrestricted fund balance. In 2025 the operating reserve is projected to increase due to the increase in operating expenses expected. The unrestricted fund balance will decrease to the projected use of \$1.9M anticipated for 2025 and the reserve balances for the new facility and CAD projects will be depleted. If this is run out a couple years and nothing changes, the differential has to be filled by user fees. Scott reiterated that the purchase and outfitting of the new facility will bring on debt services and it was agreed by the user agencies that small increases to the user fees over the years would be better then one large increase when the debt services start to become due. The County still sees consumer debt increasing, consumer delinquencies increasing, which puts pressure on peoples spending habits and has a negative impact on sales taxes. The six-year capital plan reflects anticipated needs for radio replacements, vehicles, CAD in 2030, and the largest piece being the facility in 2025. The six-year capital plan lays out anticipated needs in order to appropriately plan for.

The member agency statistics reflect the number of member agency incidents from July 2023 to June 2024 and are used to determine the 2025 charges. Dave Ellis reminded the Board the line item for the Sheriff's Office includes those agencies that are contracted with the Sheriff's Office. The budget comparison page reflects the change from the draft presented to the Board last month and this month, adding in the \$300,000 in user fees as discussed earlier. Cody Rohrbach stated there has been a lot of discussion with the finance committee, FCAB, LCAB and IEFCA (inland empire fire chiefs association) groups, and asked if the Board had any questions or further discussion. Cody and Scott thanked the finance team for all their work. Lori reiterated the budget needs to be approved by November 1st, so a special meeting will need to be scheduled unless the Board is comfortable approving the budget today. Brad Richmond, based on the recommendation of the finance committee, LCAB and FCAB groups, motioned to approve the proposed 2025 budget as presented. Frank Soto, Jr. seconded. Maggie Yates stated she would like to discuss with the City's CFO before voting but understands if that does not carry. Cody asked for a vote to approve the proposed 2025 budget. All were in favor. Maggie Yates and Tom Williams abstained. Motion carried. Scott stated the County has invited Lori to present the budget to the BoCC (Board of County Commissioners) on November 4, 2024. The County is the one who established SREC as a PDA but the budget authority lies with the SREC Board. This has been done the last few years and is a good opportunity for the BoCC to see how the finances are coming and touch base with SREC. Scott reminded the Board that ultimately the SREC Board cannot incur debt, that is a request that will need to go the County.

b. New Facility Update

Lori Markham explained that since the last meeting, the purchase sale agreement has been signed. Lori and the team presented to the State PRC for approval to utilize the alternative build method. Lori thanked Frank Soto, Jr. and Scott Simmons for participating in the presentation. There was unanimous approval for SREC to use the

alternative build method and the RFQ (request for quotes) went out last Sunday. Brandon Childs explained the RFQ will pull in the general contractor and architecture team, their statements of qualifications are due November 6, 2024, and will then be reviewed by the building committee who will short list them to two to four firms, then provide them with the RFP (request for proposals), and then a series of interactive meetings and those proposals will be due in January. Brandon stated they would like to bring a recommendation to the Board for the January 16, 2025, meeting. The next step will then be the validation phase, roughly three months and an estimated move in time of the second quarter 2026. Lori added that SREC is currently in the due diligence phase to ensure the facility will meet SREC's needs, the radio shop and IT teams have been out to ascertain the facility as well. The due diligence phase is 60 days, at about the 30-day mark now, and then will enter into closing which is 30 days. Scott explained the alternative build method is a big deal and Lori and Brandon did a great job. The alternative build gives SREC flexibility in terms of designing and contracting.

c. City of Spokane Update

Cody Rohrbach explained there was a meeting on Monday with key leadership, decision makers, etc. and are making progress. The discussions center around three things, governance, finances and service levels. The Board packet included a proposed governance model from the City of Spokane. The governance model lies solely with the BoCC, but the BoCC looks to the SREC Board for recommendations. The proposed model establishes an executive group to make fiscal decisions and the SREC Board would make operational decisions. Maggie Yates stated the Mayor has received the various letters from the SREC Board and other agencies endorsing the current model with the addition of the Spokane Police Chief and it has become clear there is an element of political considerations and the need to ensure political decision makers are involved in the process. From the City's perspective it is not just the Mayor, but also City Council, who any agreements need to be worked through, which is why the Mayor and a Council member are included in that executive group. The City remains in the minority in the proposed groups which should highlight that the City would not have control or the majority say. Maggie added elected officials have the ultimate responsibility to voters and taxpayers when spending and allocating taxpayer dollars and resources. Cody stated getting resolution on governance from this Board and the BoCC would inform decisions moving forward. Maggie clarified the Charter would remain and the proposed model would not take authority and control from the BoCC. Cody summarized that the proposed model would give the proposed executive committee political representation and fiscal authority, where the Board would be focused on operational matters. Cody added the City has concerns that ultimately electeds have the fiscal responsibility to taxpayers. The SREC Board perspective is that the current individuals report to those electeds. Maggie added an important piece that is lacking is there is no representation for City Council which is a critical component of the City's decision making. Cody expressed the concern that the fiscal decision making does drive the operational decision making.

Maggie stated this proposed model is a starting point, trying to address some of the concerns that have been voiced. Frank Soto, Jr. asked what was broken with the current model. Cody replied there have been several letters from agencies and the IEFCA in support of the current model and Cody wanted to know the Board's thoughts in order to move forward. Frank added he was under the impression this was not a negotiation, but a transition. The SREC Board has done a great job thus far and doesn't understand what is broken, this just looks like a City model and if we go by the proposed model then why aren't his Commissioners represented on the executive committee as a junior tax district. Frank continued, if SREC isn't good enough then the City needs to start its own

PSAP. Howard Johnson agreed with Frank and reiterated that his Fire Board and the IEFCA support the current model and have no interest in changing it. Howard added that this proposed model isn't a modification of the governance model, but a complete change, moving the SREC Board to an operational group. Howard emphasized there was nothing in the proposed model that he can support. Maggie reiterated the proposed model is just a starting point and appreciates the feedback. The challenge historically has been the lack of representation from the City Council and restated the electeds responsibilities to the taxpayers and that the City does not have the majority in the proposed model. Maggie asked if there was any willingness or flexibility to adjust any of the current model. Dave Ellis asked if in the proposed model the executive committee would be completely separate from the SREC Board and would not have a vote on any operational items; they would be completely separate. Maggie stated that is her understanding. Lori added that any operational items that had a fiscal impact would need to be brought to the executive committee. Cody asked if the Board's stance was to make a formal recommendation to the BoCC to leave the governance model as it is with the addition of the Police Chief under a fully regionalized system. Cody furthered that even if that is in opposition to what the City is requesting it would at least inform the City on the Board's stance. Cody reiterated the Board continues to get letters and emails from agencies and commissions in support of the current model and the original intent when SREC was formed was to have public safety agency heads, not electeds on the Board with the sole exception of the Sheriff. Scott clarified this is the City's proposal, not from the SREC representatives who have been apart of the transition meetings. Scott stated that he and Cody have not made any recommendations in support of it, and from the two County Commissioners in the meetings, one has said no they do not support it and the other one continues to support the addition of the Police Chief under the regionalized model. Brad Richmond motioned to continue with the public safety practitioners as subject matter experts be in charge of the Board and move forward with the addition of the Police Chief as we transition into a regionalized model and this Board make that recommendation to the BoCC. Frank Soto, Jr. seconded. Cody Rohrbach, Brad Richmond, Scott Simmons, Michael Kittilstved, Frank Soto, Jr., Dave Ellis and Howard Johnson were in favor, Maggie Yates and Tom Williams were opposed. Motion carries. Scott added that the questions Frank raised were the same questions they raised in Monday's discussion, once you open the door to electeds where does it stop. The SREC Board is supposed to be public safety focused. Cody stated they will draft a recommendation to the BoCC.

Cody moved on to the second topic, finances. Cody explained there has been discussions since the consultant's report came out around user fees and different options, buying down user fees with reserves, etc. The budget shows that we are at zero reserve contributions, so what options would there be; the SREC Board is open to those discussions. The direction from the FCAB and LCAB was the other direction, would rather start the ramp up. Cody stated the only other options he can think of to reduce user fees would be a reduction in service levels which he doesn't think anyone wants or then a reduction in salary in benefits which he also doesn't think anyone wants to see, or a new direction on the new facility, but doesn't think the Board would support that either. Cody stated he wanted the opinion from the Board as this is another important piece that needs the Board's stance to be known in order to inform and provide clarity to the City. Scott added that in one of the finance meetings the City's CFO, who is part of the finance committee, stated the City asked for changes in the user fee model. Scott stated the finance committee is open to exploring suggestions, but the City has not offered any other models to this date. Cody reminded the Board that the user fee split was changed when SFD joined and would be looked at again if SPD joined. The Board is not locked into the current model and would be open if a better option was proposed.

Cody brought the discussion back to the three different funding sources, 911 excise tax, 1/10th sales tax and user fees. Cody explained there are three important percentages to look at; for user fees the metric of work is based on call volume, for the 911 excise tax and 1/10th sales tax it is spread across all the member agencies. Under those three items, from a use standpoint, the City has 60% of call volume (rough number), total 48% of tax origination and 42% of population. From Cody's perspective the City benefits more under the regionalized system without taking apportionment. There is also recognition from SREC of the improved economies of scale that comes with a fully regionalized model and could affect user fees. The discussions in these meetings in reference to finances are trust and ambiguity around user fees and Cody believes that is important to acknowledge. There has to be belief in the system. There is ambiguity on both sides; the City questions user fees and Cody believes the consultant's report doesn't reflect the true cost of running a PSAP. Cody believes the City will save significantly under the regionalized model and the numbers just don't work out between the cost of running a PSAP and what they would receive through apportionment. Cody asked if there was something he missed, or if there was another strategy that was missed, so the Board can provide input and clarity to the City. Lori added that she recalled Maggie mentioned the ability to buy down user fees with the reserves set aside for the facility and take on more debt through bonds. Lori posed the question to the Board; do we want to reimagine the reserves and take on more debt through the County or leave it status quo. The mindset of this Board has been to pay what we can and avoid taking on a large amount of debt as user fees will ultimately be affected by that debt service. Dave asked for SREC's Finance Manager, Tim Henry's, opinion. Tim explained debt becomes a top line item, there is no flexibility in it. The revenue picture we are looking at and the sustainability of covering operating costs in our current situation is still a little unclear. We already have a six-year projection and the possibility of not being able to cover operating costs and adding that additional debt service becomes a fixed cost and can't be covered by taxes so it puts that back to the users again. Using the reserves to buy down user fees would only last a couple years then how do we sustain that; we would have to come back and reinstate user fees. The two tax revenue sources will not cover SREC's operating costs unless there was some huge increase, which is not likely. It is not sustainable. Lori reminded the Board that the County is ultimately responsible if SREC gets in a position where it can't pay its debts. Scott explained there are two risks; one with the County issuing debt, they are ultimately responsible for it and the second is that the 1/10th tax is set to expire at the end of 2027 and will need to go through the renewal process. Scott added that if SREC does not have the ability to pay back its debt, then the County takes that from the 1/10th tax monies. There is always a balance for how much you cash pay for a significant capital project and how much you finance. Scott stated based on past experience, don't be the piggy bank for the citizen when you can take on some appropriate risk within your operations today. Scott continued that SREC has been in a position up until now where we have not had to raise rates, we have been fortunate to take what was already given and be able to put some of that in reserves, but that was also due to a challenging time when our vacancy was high and we were not able to staff up where we wanted to be. Scott wanted to give credit to the City's CFO and explained that he had asked the finance committee months ago if there was a different way to look at this instead of fully cash funding the facility, and could we look trying to find an existing building. The team then went out and found an existing facility which will reduce the needed capital for the new facility by roughly \$10M. Scott cautioned the Board that unless the economy changes dramatically there will be some changes coming and for the Board to be mindful on the impact to the agencies and their user fees. Cody explained this is another topic for clarity and alignment for the Board to help inform the City.

Cody stated the third topic is service levels. There has been no formal request or SLA to know what that would look like. There is a potential draft SLA that will be presented at the next transition meeting for discussion. This will help open that conversation and see if there are different service level needs between the law groups and are there any barriers that cannot be met. Cody furthered clarity from the Board is helping to inform the City in their decision making and reiterated that what is in the best interest for the City is for the City to decide and we will support them either way. There is consent from this Board that the regionalized model is in the best interest for everybody and will continue to carry that message forward. The next transition meeting is scheduled for Monday, October 28, 2024.

d. CAD Update

Brandon Childs stated the build process is moving along and they are currently working on more advanced bidirectional interfaces with Axon and Streetwise. Go-live is still scheduled for October 2025. Lori Markham explained she has heard from Hexagon and National Public Safety Group how much they have enjoyed working with the CAD team and are really impressed with the progress and are actually further along than anticipated. They are very excited to be going through this process with SREC. Scott Simmons added that is a great testament to the SREC team as these vendors work with agencies across the nation and the successes of these multiyear endeavors is the ability of the agency to be prepared and work in tandem with the vendor.

6. Staff Reports

a. Operations

Kim Arredondo stated in reference to the email Lori sent regarding a statement that was made about the correlation between SREC's staffing and the increase in abandoned calls (calls that are aborted prior to being answered). Kim clarified that the statistic was not representative of abandoned calls but through some research by staff found that that statistic was actually for 911 hangup calls (calls answered in the center) and the increase is in correlation to SPD taking on their own calls, so the increase is due to an operational change not staffing. Kim went through the operations report, summer months had longer answer times but were still within the NENA standard. Crime check calls are going down, but reports are going up. Public education continues on what is and is not a report and seeing an increase in crime check and online reports. The top 15 officer-initiated calls and top 15 call types remain consistent and we don't anticipate that changing much. Law dispatches have decreased slightly and fire dispatches have increased.

Kim explained SREC is applying for ACE accreditation through priority dispatch. It consists of a ninety-day statistical grab that began on October 1st, and can then be submitted in January. Kim added that staff has been meeting the numbers needed for accreditation for a while now, and now the Accreditation Coordinator will gather the data and submit. Kim congratulated the staff on all their hard work as it has been a two-year undertaking. Lori stated that SREC will be the third in Washington State to achieve the accreditation. Howard Johnson explained that a huge part of the survey and rating from the Washington and Surveys Bureau, which dictates insurance ratings, includes emergency communications. SCFD9 and SCD4 have their review this year, SCFD9 received theirs but SCD4 has not yet. When SCFD9 was rated in 2019/2020 they received an 81% under emergency communications out of 100% and this rating received a 96% and a comment from the rater that it was one of the top scores in Washington he has ever seen. Howard added this is a testament to the great work being done at SREC and with the accreditation that will even increase that rating. Scott stated that what the surveys bureau rating is directly correlated to citizen's homeowners' insurance rates.

Frank Soto, Jr. stated that when a district moves down a class (which is good) the insurance rate is decreased by 10%.

Kim continued EMD statistics are consistent. There is a new academy scheduled for November. Kim explained they originally were not going to have another academy this year, but wanted to ensure we could staff up in the event of the transition. The vacancy rate continues to be at 7%.

b. Technical

Dusty Patrick stated the deadline for code plug requests was October 1st and fire reprogramming will be done over the winter. No requests came in from the law group. The radio and IT teams are doing their due diligence for the new facility. The FAA has stated there are no issues with tower location or proximity to Felts Field. The IT team is attending the WA APCO-NENA here in Spokane this week and is a great opportunity to see what other agencies around the state are doing and get feedback.

c. Finance

Tim Henry stated that today's actions will finish the 2024 budget amendments and the 2025 budget. The team will have the Q3 report to the Board next month and focus will be on the 2022/2023 state audit which will hopefully conclude in December. Tim added they will begin work on 2024-year end. Cody Rohrbach thanked Tim and Jenni for all their hard work.

d. Human Resources

Jeff Tower stated they are processing new hires, report technicians for November 4th and Communications Officers for November 25th. SREC received their final medical insurance rate and was anticipating a 10% increase but came in at 7.5%. Union negotiations are ongoing with meetings every other week and Jeff hopes to have an update in November.

e. Administration

Lori Markham stated work continues on the new facility and she is reviewing the by-laws with legal to see if there needs to be any additions, changes, etc., and those will be brought forward at future meetings.

7. Open/Public Comment

No open/public comment.

8. Adjourn

Adjourned at 9:28 a.m.

The next Regular Governing Board meeting is scheduled for, November 21, 2024, at 8:00 a.m.



Board Member
Governing Board



Board Member
Governing Board

I. Proposed Governance Model

1. Executive Committee

a. Members

- i. Spokane County Commissioner
- ii. Spokane County Sheriff
- iii. City of Spokane Council Member
- iv. City of Spokane Mayor
- v. City of Spokane Valley elected representative
- vi. Smaller cities elected representative

b. Duties

- i. Fiscal decision

2. SREC Board

c. Members

- i. Spokane County Sheriff
- ii. Spokane Valley Fire Chief
- iii. Spokane Valley Police Chief
- iv. City of Spokane Fire Department Chief
- v. City of Spokane Police Chief
- vi. EMS Council representative
- vii. Police Chief representing other Police Departments
- viii. Fire Chief representing other Fire Departments/Districts
- ix. Citizen rep

d. Duties:

- i. Operational decisions

3. Finance sub-Committee

a. Members

- i. County Chief Financial Officer
- ii. City of Spokane Chief Financial Officer
- iii. SREC Board Chair
- iv. City of Spokane Valley City Manager
- v. Representative from smaller cities

b. Duties

- i. Advises both the Executive Committee and the SREC Board

4. Practice Boards

a. FCAB (current membership)

b. LCAB (current membership)

c. Duties

- i. Advises both the Executive Committee and the SREC Board