



Kitsap 911 Executive Committee Meeting of April 14, 2021

The Kitsap 911 Executive Committee met via a Virtual meeting. Present were: Director Dusty Wiley (Chair), Director David Ellingson, Director Becky Erickson, Director Greg Wheeler, Director Gary Simpson, Ken Bagwell (Legal Counsel for Kitsap 911), Strategic Advisory Committee Chair Chief Joe Clark, Strategic Advisory Board Vice Chair Chief Jeff Faucett, Executive Director Richard Kirton, Deputy Director Maria Jameson, Finance Manager Steve Rogers, Technical Systems Manager Brandon Wecker, and Administrative Specialist Stephanie Browning.

Guest:

Absent:

Call to Order. Chair Dusty Wiley called the meeting to order at 1301.

Public Comment: None

Radio System Replacement/Funding:

Discussion took place regarding the radio system replacement and funding. Finance Manager Steve Rogers presented a spreadsheet and walked through the project cash flow analysis and funding scenarios. He explained the spreadsheet is merely a forecasting tool and not used when formulating our formal annual budget. The focus of it is to assist with mid- to long-range cashflow planning on capital projects, such as MCT and portable radio replacements, system upgrades, and significant building/equipment maintenance.

He reviewed the cash flow projections. This is being used to show how we will pay for the approximately \$41M radio project based on our expectations for revenues and expenditures over the next 10 years. He provided three different scenarios to review, scenario one is where a bond is not issued to pay for the project. Scenario 2 is where a bond would be issued for half of the cost in 2026; in this scenario, the additional sales tax allows us to service the debt and carry through the end of the project using cash. Scenario 3 similarly shows the impact of issuing a bond for half the cost, but in 2022 instead, which allows to take advantage of low interest rates. The additional sales tax allows us to both service the

debt and build up cash reserves in order to pay for the last half in cash. Mr. Rogers has spoken with Jim Nelson at DA Davidson, who did the bond for Cowlitz 911 and has worked with many local agencies, for his expertise on the implications of these bonding scenarios.

The spreadsheet is not intended to provide a timeline or milestones but is simply to illustrate that the sales tax increase is a crucial piece of the puzzle, regardless of the funding mechanism or timing that we will ultimately use. Simply put, with the sales tax, we will be able to replace the radio system, purchase the end user radios, and our other capital projects without having to do a user fee increase. Kitsap 911 is looking to get feedback on these assumptions and forecasts, noting that none of these scenarios is set in stone. Because some agencies have already purchased their MCTs and others have set aside money in their budgets for their own replacements, we recommend keeping the current funding plan for MCT replacement in place for 2023, but for the 2028, we recommend that the cost for all primary response vehicles MCT be funded from the sales tax.

The Executive Committee reviewed the proposed resolution for the Board of Directors and provided feedback.

Adjournment 13:58

The next regular meeting of the Kitsap 911 Executive Committee will be April 28, 2021