



## **Kitsap 911 Board of Directors Meeting on May 6, 2025**

**Via Virtual Meeting and Norm Dicks Governance Center**

### **ATTENDING:**

#### **Board of Directors:**

Jennifer Chamberlin, City of Bremerton  
David Ellingson, Fire Commissioner (Chair)  
Becky Erickson, City of Poulsbo Mayor  
John Gese, Kitsap County Sheriff's Office  
Clarence Moriwaki, City of Bainbridge Island  
Bob Muhleman, Fire Commissioner  
Rob Putaansuu, City of Port Orchard Mayor  
Christine Rolfes, Kitsap County Commissioner  
Oran Root, Kitsap County Commissioner  
Greg Wheeler, City of Bremerton Mayor (Vice Chair)  
Dusty Wiley, Fire Commissioner

#### **Staff:**

Maria Jameson-Owens, Executive Director  
Brandon Wecker, Deputy Director  
Rachael Taylor, Human Resources Manager  
Steve Rogers, Kitsap 911 Finance Manager  
Jamie Donley, Associate Director of Operations  
Barrie Hillman, Executive Assistant

#### **Absent:**

Katie Walters, Kitsap County Commissioner  
Eric Younger, City of Bremerton  
Scott Peabody, Kitsap 911 Radio Program Manager  
John Higashi, Technical Services Manager

**Guests:**

Chief Joe Clark, Bainbridge Island Police Department  
Chief Rick LaGrandeur, North Kitsap Fire & Rescue  
Chief Jeff Faucett, South Kitsap Fire & Rescue  
Bryce Odin  
Dawn Perry  
Kyle Joyce  
Alex Boeddeker  
Jared Moravec  
Jim Gillard  
Hannah Augustine  
Shy Emerson

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**Call to Order:** Chair David Ellingson called the meeting to order at 1230.

**Additions:**

None.

**Public Comment:**

Chief Jeff Faucett of South Kitsap Fire and Rescue (SKFR) spoke representing himself and came on behalf of the 111 SKFR firefighters that count day in and day out, 24 hours per day on clear communications. We have worked hard with Scott Peabody and Kitsap 911 on the new radio system and worked over the years to add a second console and more dispatchers and call takers to the floor. As 911 continues to grow with 15,000 calls in South Kitsap alone, we need Kitsap 911 and we are looking to the future on how we get over the hump and be sustainable in the future. Yesterday I watched as South Snohomish County 911 celebrated the victory of putting their brand-new radio system into service and the chiefs and mayor were speaking of how great it was. I know we are going to be there soon. Out of curiosity I asked what a fire district in Snohomish County pays for their user fees and they pay \$33.22 per call. Currently SKFR pays \$218,00 per year in our user fees and if I was in Snohomish County that would be \$489,000 for that 911 service. I am asking to please support the firefighters and police officers around this county and making sure that when we ask the dispatcher a question, there is somebody there to answer it. We want to make sure that when we push to talk on the radio, it's clear, concise, and we can move forward in the future.

**Consent Agenda**

Chair Ellingson introduced the consent agenda items.

**Director Clarence Moriwaki moved to approve the Consent Agenda including approval of**

**minutes from the Board of Directors 04-01-2025 meeting; the approval of payment of claims for A/P Warrant Numbers 7138 through 7200 totaling \$1,858,705.94; the payroll dated 03-28-2025, 04-11-2025 and 04-25-2025 totaling \$1,333,533.49; and the Use Tax dated March 2025 with a total increase of \$14.42. Director Bob Muhleman seconds. Motion passed unanimously.**

### Employee Recognition

Executive Director Maria Jameson-Owens recognized Randy Dasho as the Employee of the Year 2024 chosen by the employees at Kitsap 911 from the four Employees of the Quarter. Randy is well deserving of this award. He consistently surpasses expectations, showcasing unparalleled dedication and leadership to the team. Every day he demonstrates an unwavering commitment to fostering a positive, productive, and inclusive environment.

Mr. Dasho thanked his coworkers for the honor. He reiterated his open invitation for any of the Board members to come visit and observe on the floor. There is no better way to see firsthand the skill, dedication and commitment behind every call that we take.

Ms. Jameson-Owens recognized Shelby Morris as Employee of the Quarter for first quarter 2025. In Shelby's recent evaluation at the end of her first year as a dispatcher, she received 11 compliments for her performance. These range from her ability to maintain control over a busy radio, to giving CPR and saving a life, and her ability to give childbirth instructions through a language interpreter while also working a radio. This would be an impressive evaluation for any telecommunicator; however, it is extraordinary for a first-year dispatcher. Shelby is a strong dispatcher, a role model, team player, and dedicated to providing the best service possible.

Ms. Morris thanked Kitsap 911 and said that she has learned a lot in the last two years. She loves the job and looks forward to what she can offer in the future.

### Action Items

#### **Approval of Strategic Initiative #2**

Ms. Jameson-Owens indicated that we reviewed Strategic Initiative #2 Review of the Financial Philosophy at the last board meeting and there were no recommended changes.

**Director Moriwaki moved to approve the Strategic Initiative #2 Review of the Financial Philosophy. Director Owen Root seconded the motion. Motion passed unanimously.**

## Discussion Items

### **Proposed Funding Formula V2**

Ms. Jameson-Owens indicated that we presented the first proposed funding formula change at the last Board meeting. Since that meeting, we went back to the Kitsap 911 Funding Committee with a second proposal which decreased the amount of the increase by about \$260,000. Since we sent the meeting packet out to the Board with that proposal, we met with Director Becky Erickson who recommended that we look at a third option of combining the Proposition 2 (Prop 2) revenues with all other revenues.

Finance Manager Steve Rogers shared a [slide deck](#) with the three options explained. The slide deck included in the packet was developed in response to the feedback we received from the Board in last month's board meeting. We also received a letter of formal opposition from the County Commissioners. We thought it would be better to present a comparison between the different options. Last Thursday, we met with Director Putaansuu, and he let us know that our messaging about why we needed an increase hadn't been clear leading up to the last board meeting, and that we needed to do a better job telling that story. We also sent out an information paper a few weeks ago that provides a deeper dive.

Back in the early 2000s, user fees were about 50% higher than they are today, but in 2005 Kitsap 911 started receiving sales tax revenues to relieve some of that pressure on the user agencies. After that, user fees started to drop, and in 2009 the funding formula was revised to formally include sales tax into our funding structure. User fees were then set at the \$2 million they are today; just as a side note, that \$2 million amount is what was first used 30 years ago in 1995. The new thought process was that rather than being our primary funding source, user fees would just be needed to fill in the gap between our total budget and all of our other revenues. User fees have stayed flat this entire time. If it hadn't, CPI alone would have driven user fees up to nearly \$3.1M.

Mr. Rogers continued and said in 2019, we started seeing some issues. The blue bars here show our total revenues, the orange bars show our total expenditures, and the gold bars show how much money we had left over each year. In 2017, we saw a razor thin surplus of \$63,000; 2018 was a lot better, but in 2019, we saw our first deficit. That year, as we were developing our 2020 budget, we proposed a user fee increase and offered two different scenarios to address the issue. The first one included an increase of \$369,000 in total, which was rejected. The second one was a total increase of just \$169,000, but that was also rejected. The board instead decided not to increase user fees, and we had to balance the budget using reserves. That decision was made before Proposition 2 was being discussed, and before COVID and the CARES Act were factors in all of our budgets.

Those factors, as helpful as they were, had a significant skewing effect on our budget, and if you take them out, you can see what was really going on. Without those one-off revenues, we would have had a \$400,000 deficit in 2020, and while we had decent surpluses in '21 and '22 from a variety of factors, in '23 and '24, we had significant deficits of \$1.3 million and \$2.2 million. In response to this, we asked the board to allow us to start using Prop 2 to pay for the personnel costs for our technology employees, as well as other operating expenditures that were related to the Radio Project. That adjustment helped a lot, but since we've kicked the can down the road for nearly 20 years now, we are right back to where we were in 2019. If we had been making small adjustments for CPI along the way, or even since 2019 when we first proposed an increase, we probably wouldn't be in this position, but instead, the pressure built up behind the scenes and we had to present a large increase all at once. In a conversation with Director Putaansuu last week, he pointed out that our user fee issue is similar to when utility costs stay flat – it's nice when your power bill doesn't go up every year, but once the multi-year rate study comes out, you have to play catch up.

Mr. Rogers said in 2023 and 2024, we heard loud and clear from this board that Prop 2 needs to be kept separate until the radio project is complete, so to address our mounting deficits, we went back to the only other source of income that we have any control over: user fees. We looked at what the ongoing costs were going to be for the new radio system and following the same practice that we've been using since at least 2009, we passed 100% of those charges down to the user agencies. That is how we ended up with what we are calling Option #1, which is the first version of the increase. It has an increase of about \$722,000 split over a 3-year period, with gradual CPI increases going forward. Before presenting that to you all last month, we first presented it to the funding committee, and while they weren't wild about having to pay more, they all agreed that an increase was long overdue and that our logic was sound.

After we heard the board's objections to it, however, even though it would mean delaying or canceling some capital projects to afford it, we changed our approach. Instead of doing what our current funding formula says, we tried to estimate the approximate benefit that Kitsap 911 receives from having all the software and services consolidated under our roof. Using that approach, we determined that we would need to absorb a little over 35% of those ongoing costs, and from that, we developed Option 2. We took this back to the funding committee, and we expected them to be happy not to have to pay quite as much, but instead, most were worried that the cut was too close to the bone. They said they could support it if it's what the board wants to do, but they were worried that we were again just kicking the can down the road, rather than actually solving the problem.

After that funding committee meeting, we decided to try to meet one-on-one with some stakeholders to get their perspective. Last Wednesday, we met with Director Erickson, and she sympathized with our situation, but reminded us that our budget is not developed in a vacuum, and that even though we need additional funds, every other agency is in that same

boat, and either option for an increase would be a tough pill to swallow, especially for agencies that are already having to make budget cuts and tough decisions about personnel.

As an alternative to raising user fees, she asked us to see what it looked like if we kept the Radio Project as our top priority but started using Prop 2 like we do our other sales tax revenues. She pointed out that the revenues will be combined down the road eventually anyway, and as long as nothing gets in the way of completing the radio project, making that change proactively might be a good way to address our budget issues without raising user fees. Based on that feedback, we developed this projection. The radio project remains fully funded, as it is today, it stays on schedule, and the board continues to oversee the budget process to ensure our priorities are still aligned; and as an added bonus, this can be done without having to amend the bylaws.

One potential drawback to this approach, as Director Putaansuu pointed out, is that it may require us to borrow a bit more for the Radio Project if we decide to combine our revenues. And that's true – but it's also important to remember that we've always expected to finance at least part of the project, no matter which option we choose.

If we go with options 1 or 2, we're likely looking at borrowing somewhere in the \$10 to \$13 million range, which is consistent with what we've shared with you previously. However, with option 3, that number might rise to around \$15 million. The final amount that we will need to borrow will depend on where our cash reserves are later this year – likely around the holidays, but we'll keep you updated. Option 3 does have the disadvantage of possibly needing to borrow a bit more, but even still, it has the advantage of allowing us to move forward without raising user fees.

Mr. Rogers shared a final slide with a comparison table of the options presented side by side.

Director Erickson asked which option does the Kitsap 911 staff prefer. Ms. Jameson-Owens indicated that they prefer Option 1 and then Option 3. Option 2 is very difficult, cutting personnel, freezing positions and doesn't help in the future. It is kicking the can down the road a little farther. However, they can make it work if that is what the Board decides.

Director Christine Rolfes shared that Option 1 and 2 are hitting the County right when they are having hiring freezes, personnel cuts, and going into hard times. Everyone needs to feel the pain because this will create even more of a deficit for the County to overcome. Kitsap County has the sheriff, the coroner and animal control. Maybe the fire districts don't have the same structural deficits that County government is working under. This year we are working on an \$8 million reduction in spending and will have to do something similar in 2026 even with a great economy.

Director Putaansuu said these are tough decisions and we really made a conscious decision to keep the two books separate because we really wanted to have accountability over this capital project. It will be tougher for us to provide oversight on that capital project we told the voters we were going to do. He doesn't want us to run out of money when we promised we would do this. We have cash on hand right now for the radio project and we will be issuing debt later this year but in his experience as a banker, you never lend long term money for operational costs. If you have operational problems, you need to solve it from other means, cutting expenditures or raising user fees or a combination. It makes him nervous to co-mingle these and then borrow money to cover operations.

Director Jennifer Chamberlin asked to be reminded how revenue is generated for Kitsap 911. Mr. Rogers said that the primary source of revenue since 2005 has been sales tax and today we have 2/10s of 1% of sales tax. Half of that is Proposition 2 and half is our original sales tax allocation. After that we also get user fees, excise taxes, interest and lease revenues. The lion's share is sales tax.

Director Chamberlin asked if there are restrictions in place on the ways that the agency can generate revenue. Mr. Rogers said we are not a taxing authority and can't levy our own taxes and we have no control over excise taxes that are at the state level. The only levers we can move are user fees and our very small tower leases.

Director Chamberlin said that she speaks at the Bremerton City Council meetings about progressive revenue streams and that there are progressive revenue streams available if we change policy right now.

Director Erickson said that when we did Prop 2 she was one that said it was only for the radio project but she was wrong. We have about \$8 million in cash and we are now being asked to raise user fees to offset operations. We have \$8 million in cash because of the timing of the radio project and the 1/10<sup>th</sup> of 1% of sales tax. We will have more cash next year for both the radio and operations. It is a question of evening out the timing and allowing more flexibility to use both revenue streams to address the means we have at the present. She believes it is wrong for the government to tax people and have the money just sit. She asked how the fire districts are structured and if they have separate taxing strings for different purposes.

Chair Ellingson said that they have a property tax that is pulled together.

Director Erickson said that as technology is changing the pieces are actually getting cheaper so we don't know the full cost of it. Sales tax is likely to be higher as prices are going up. With these variables and \$8 million in cash it seems silly to go back to local jurisdictions and ask for more money when we have \$8 million in the bank. That will burden the County and all the cities and doesn't make sense.

Director Erickson said that when we passed the dedication to capital with the second 1/10<sup>th</sup> of 1%, she supported that but doesn't support it now because we need the flexibility to use the cash the way we need to use the cash.

Director Rolfes asked when the radio project will be done. Mr. Rogers said that construction phase is through 2028. Thereafter we will establish an equipment replacement fund.

Director Moriwaki said that the revenues should still be in separate pots as that was the promise to the voters that it would be for that project and there has been accountability. He said Bainbridge has a reserve that could run the city for six months if all the revenues stopped. Some governments have dipped into their reserves and Bainbridge chose not to keep their great bond rating. It delayed service and people complain about permits not going out fast enough. Bainbridge is lower per capita for our officers. Bainbridge wanted to keep the budget balanced but there is a human cost and the rotation gets difficult or the service is not up to par of what it should be. However, he stands by their reserve budget. He would like a pause so he can share this with the six Bainbridge members so he can check in with them. If he were to vote, he would abstain as he is just one of that group.

Director Erickson asked how much time do we have to make a decision? Ms. Jameson-Owens said that to get this into the 2026 budget, we need some direction today because the attorney has recommended that we issue another 60-day notice with the specifics that we are looking to vote on in 60 days so everyone has time to review it. If the Board recommends Option 1 or 2, there needs to be a by-law change. Option 3 does not require a bylaw change. We need direction from the Board today.

Director Greg Wheeler said that all agencies are always planning for 2026 and this is a moving part we need to fix. Bremerton has a mid-year budget review coming up. He still supports the intent behind keeping the funds separate. Is it fair to call the cash a surplus? Director Putaansuu said it is not a surplus; it is the radio money we haven't spent that will get coupled with the borrowing to pay for the radios.

Director Wheeler said that is a difference in interpretation of what's actually happening. Bremerton gets property tax twice a year creating big spikes in revenue. Director Putaansuu said Kitsap 911 gets monthly sales tax and will be making a large purchase later this year.

Director Wheeler asked if Option 1 maintains our program and gives the best continuity for a stable workforce and no longer kicks the can down the road. Ms. Jameson-Owens said it gives Kitsap 911 the funding it needs for the next 10 to 15 years at the minimum.

Director Erickson asked what happens to the separate funds after we finished the radio. If we



only spend the Prop 2 on capital acquisition, what are we going to buy after the radio system is built. Sooner or later, we are going to have to comingle the funds. Eventually it is going to go into operations and right now you are asking member jurisdictions to come up with more money when you have Prop 2 over-performing. We should put the two funds together to balance cash flows with operational expenses and capital requirements.

Director Putaansuu said he is open to that discussion when the radio project is done in three years. There will be ongoing costs associated with the radio project and other capital projects but there will be money left over for future operations. Option 2 is the compromise softening the blow and making sure we deliver the radio project.

Director Rolfes suggested the Board decides if they keep Option 3 on the table. She asked what the fee increase percentage is for Option 2. It is a fairly large fee increase even with a more conservative approach. Kitsap 911 has to buckle down but it is not a devastating decrease in spending. Option 2 is her preferred methodology.

Director Putaansuu said we need to have a CPI index connected to the user fees because of the situation we are in now.

Chair Ellingson said in the past to some degree sales tax took care of having no CPI increase.

Director Putaansuu said that in some years sales tax was increasing 2% over budget but now it has gone flat.

Director Oran Root asked if we could consider the question of whether to eliminate Option 3.

**Director Root moved to remove Option 3 for consideration. Director Chamberlin seconds the motion. Director Erickson voted nay and all others voted aye. Motion passes.**

Discussion:

Director Rolfes the willingness to discuss Option 3 in the future gives us the flexibility in the future for rate increases.

**Director Putaansuu moved to approve that Kitsap 911 should move forward with preparing Option 2 as the favored option with the caveat of discussing the possibility of putting a CPI index to the proposal. Director Rolfes seconds the motion. See below.**

Ms. Jameson-Owens clarified that Option 2 already has a CPI escalator of 2% each year.

**Director Putaansuu amends the motion to approve that Kitsap 911 should move forward with preparing Option 2 as the favored option. Director Rolfes upholds the second. Director Erickson voted nay, Director Moriwaki abstained and all other votes aye. Motion passes.**

**Discussion:**

Director Wheeler said we are early in the 2026 budget process and Bremerton is they do not anticipate under any scenario to adding any employees and they are just trying to hang on. Director Ellingson directed Ms. Jameson-Owens to send out the second 60-day notice of the potential bylaws change.

**New Bank Account for the Purpose of ACH**

Mr. Rogers indicated that this is the first deliverable under the financial strategic initiative, and specifically, it addresses our push to make our financial processes as current and efficient as possible. What we would like to do is open a bank account that would exclusively be for processing electronic payments to vendors. Our Ordinance requires us to keep Kitsap County functioning as our treasurer, so that wouldn't change, but before drafting this proposal, we researched our options by speaking to the state auditor's office, the MRSC, and ultimately with the Kitsap County Treasurer, Pete Boissonneau. Since we currently have two other bank accounts that we already use primarily for direct deposits and our Flexible Spending Account benefits, we are confident that we could add this third account and still meet the Ordinance requirements, and Mr. Boissonneau agreed. He saw no issue with it whatsoever and even cited the Kitsap County Regional Library as an example of another agency that has a similar banking structure.

This was originally identified simply as a way that we could use to improve efficiency, but oddly enough, just last week, one of our vendors notified us that they will only accept electronic payments going forward. Our next invoice from this vendor will be right around \$85,000, which is way more than our available credit card limit, so ACH will be our only option to pay them.

Director Moriwaki asked how we determine what the amount should be in the account. Mr. Rogers said the only amounts that will be moved into the account will be the amounts needed to make payments and no cash will accumulate there. He explained that it will act similarly to a zero-balance account without actually being a zero-balance account but a normal business banking account for processing electronic payments to vendors with no fees.

Director Putaansuu confirmed that we have cash management services on our accounts and that commercial accounts work differently than consumer accounts.

Mr. Rogers indicated that we will do a resolution for this for the June Board meeting but the Board can opt to take action on this agenda item now if they so choose.

**Director Root moved to approve the establishment of the new bank account for the purpose of making electronic payments. Director Chamberlin seconded the motion. See below.**

Discussion:

Director Moriwaki suggested voting on the full resolution at the June Board meeting.

Director Ellingson asked if there was any reason to delay this vote.

Ms. Jameson-Owens indicated that it was put on the agenda as a discussion item only because the Board has previously not wanted to approve something the same day that they first heard it but that if the Board chooses to move forward, they certainly can.

Director Root indicated that he would like to move forward on the motion because it facilitates the day-to-day business at no cost and it makes things easier. Director Chamberlin upheld her second.

Director Moriwaki asked to confirm that the motion is to approve it.

Director Root said Kitsap 911 has done their due diligence to make sure we are satisfied with the information and with something as simple as this, we can throw the bureaucracy out the window. He confirmed a motion remains on the table and is seconded.

Director Rolfes requested that an email be sent from the County Treasurer indicating his approval of this new bank account. Mr. Rogers will request that Mr. Boissonneau send that email.

Director Moriwaki wants to keep the policy that when even housekeeping things are being proposed we hold on voting until the next meeting so the public has opportunities to know about an issue and weigh in before a decision is made and this is a way that good governance should be.

Director Chamberlin said this is bureaucracy being bureaucracy. Let's just vote on a bank account.

**Director Root moved to approve the establishment of the new bank account for the purpose of making electronic payments. Director Chamberlin seconded the motion. Director Moriwaki and Director Rolfes vote nay and all others vote aye. Motion passes.**

### **Strategic Initiative #3 – Comprehensive Hiring and Retention Plan**

Human Resources Manager, Rachael Taylor explained that our third proposed strategic initiative is a comprehensive hiring and retention plan for the next three years. Due to the workforce trends identified during our strategic positioning process, we must be proactive in

our approach to hiring and retention. We are facing challenges such as evolving workforce expectations, reduced job commitment, and attracting candidates in a competitive job market. This initiative focuses on attracting qualified candidates, retaining our workforce through job satisfaction and support, and succession planning to ensure we have talent pipelines to fill vacancies as they occur.

To attract talent, we will evaluate and refine our recruitment processes, implement best practices in recruitment, and increase our attendance at community events and job fairs so that we are able to reach a diverse audience and increase the number of qualified applicants applying for open positions. We will also reintroduce in-person testing to increase accessibility to applicants.

To retain our workforce, we will develop a retention strategy to include competitive benefits, professional development opportunities, and regularly engage our employees. This includes continuing to hold quarterly check-ins with new employees throughout their first year of employment.

For succession planning, we will conduct an annual survey and follow up with employees who plan to leave in the short term and with those who wish to promote. We will put in place a mentorship and career development program to promote internal growth.

We will regularly report back to the Board our success with this initiative. We expect an increased number of qualified candidates applying for open positions, to fill each new hire academy, to reduce our turnover rates, and to enhance internal promotion rates.

### Standing Reports

#### **Strategic Advisory Board (SAB) Report**

Chief LaGrandeur reported that the SAB has not seen all the information presented today on the Funding Formula but will discuss it at their next meeting and report back to the board. He said that no matter what direction the board choose to go, we really need to make sure that we continue the high levels of service provided by Kitsap 911. The agency vehicles with radios and MCTs don't do them any good if there is no one to operate the system and are really crucial to their levels of service throughout their communities. He asked that the Board keep that in mind moving forward and as they look at the funding proposals.

Chief LaGrandeur reported that a new draft of the Communications Equipment policy has been distributed to all the SAB members with the intent of discussing it at the next meeting and hopefully bringing it forward to the board for future approval. The latest draft has the addition of a Primary Response Vehicle -Ready (PRV-R) category. This category puts all the equipment, the dock, power supply, antenna needed to operate an MCT except the MCT into the vehicle

which can be used as a back up reserve vehicle. All that would be need to be done is to just put in an MCT and the vehicle can be put into service immediately.

Chief LaGrandeur reported that the SAB gets regular updates from Radio Program Manager, Scott Peabody, on the status of the radio system. Everything is progressing just like the agencies anticipated, including the radio installations and associated projected timelines. The SAB is very happy with the progress of the project.

### **LMR Project Report**

Mr. Wecker shared a [slide deck](#) on the status of the project. He shared a chart depicting the status of mobile radio installations. This chart shows the progress on replacing the 650 mobile radios. The left chart shows our replacement commitment of 30 radios per month as represented by the blue line. The actual replacement results are shown by the green bars and we have met and exceeded the commitment each month so far. The slides on the right show our original plan from 2024 with Law on top and Fire below.

On the next slide Mr. Wecker reported that as a result of the global uncertainty caused by United States tariffs, we took a cursory look at supply chain risks as they relate to the radio replacement project. After completing the review, we placed the risk at low to medium. With regard to a price increase risk, the stage 1 systems are installed so the risk is mainly from the additional radios we need to purchase. The good news on radios is the prices are fixed in the contract, and the radios were already being made in the United States. We do anticipate some inflation in construction materials and labor for the later stages on construction, but most of the materials are also already made in The United States so the risk should be minimal.

For the new radio system, we have 15 sites on the air and we are working on completing drive testing which will give us the first assessment of our coverage. For more info on coverage refer to the “closer look” section of the April written progress report. With regard to the dispatch console system, we have encountered another slip in the timeline due to a software bug. The good news is that we do not believe the schedule slip will impact field user cutover.

We are still assessing the potential for a Law cutover to digital radio in 2025. Currently the decision is still up in the air but we wanted to give you a look at the factors that go into the Go/No go decision. We took the traditional 4 Ps of business marketing and applied them to our law agency cutover. We have a great deal to consider when determining if we will be able to achieve a law cutover in 2025, but as we get closer to making a determination, we will provide additional information.

Director Rolfes asked if this was a good thing. Mr. Wecker indicated that yes, this was a good thing.

**Monthly Finance Report**

Mr. Rogers reported that as of the end of March, our revenues were above, and our operating expenditures were below expectations.

So far, we have received approximately \$5.5 million in revenues year to date, which is about \$631,000 above our projections. Sales tax came in about \$234,000 above expectations and excise taxes are now back to being in line with budget, but the timing of user fees and lease revenues is still the biggest driver of that overage so far this year.

As for operating expenditures, we were under budget by about 7% year-to-date, which is pretty much right where we were last month, which is always a good trend. Labor was 1% under projections, and non-labor operating expenditures were almost 28% under, primarily driven by fewer costs for repairs than were anticipated for this time in the year, as well as a lag in the receipt of invoices for some software and maintenance agreements.

As for the Proposition 2-funded projects, the project is still moving along, and to date, we've spent about \$634,00 of the \$11.7 million that we've allocated. There will be more expenditures on this project closer to the holidays. As for our other capital and non-operating expenditures, things are similarly quiet, as we've only spent a combined \$9,000 of the \$3.3 million annual budget. We expect things to stay quiet on that front until later this year.

On the next page has our fund balances which are looking healthy primarily due to Proposition 2. We still have some room to run before we'll need to take on debt, but we are ramping up the radio deliveries, so that excess cash amount will be dwindling later this year as anticipated. We'll be back in the next couple of months with what that timing looks like.

Lastly, we haven't used any reserves to date and our primary risk at the moment are a slowing economy, as this would directly impact our primary source of revenues, and the tariffs, for obvious reasons.

Director Rolfes said it looks like our revenues are over what we thought. Mr. Rogers said they are \$631,000 above where we thought; \$234,000 is from sales and excise taxes and the rest of it comes from one-time payments from lease fees or just the timing of when we receive user fees.

Director Rolfes asked if there is a potential scenario where we can attribute excess revenue to the user fee increase? Mr. Rogers said that when we bring the budget forward and have more data, we can look at that.

Director Putaansuu said we can't wait until December 31<sup>st</sup> to develop our budget but if we are overperforming could we make an adjustment to these user fees potentially? Mr. Rogers said

we are planning to bring our budget forward in September so we will look at that in the fall.

Chair Ellingson said that the sales tax revenue could be a temporary bubble from people buying up supplies due to tariffs.

Director Putaansuu said he just wanted us to consider that.

Director Rolfes said the increase in spending is mostly due to the hospital which are one-time construction project.

### **Goals and Tech Report**

Mr. Wecker Reported on the following [projects](#):

2019-1 Backup Center - The goal of Phase 1 is to bring online the new alternate location that meets or slightly exceeds the current Kitsap 911 backup functionality at the courthouse. We have received the Uninterrupted Power Supply (UPS) and the generator is scheduled to arrive next month; we will present a tentative timeline for all remaining items once the generator arrives.

2023-2 Cyber Security Upgrade - This project is to provide Multi-Factor Authentication (MFA) at Kitsap.

This project is late but will finish to meet the grant timeline in June and is currently being deployed. At Director Moriwaki's request, he showed the Board a MFA fob that allows authentication based on proximity.

2023-6 Dispatch Floor Project - Console Furniture - This project replaces the console furniture on the Kitsap 911 dispatch floor. We have making good progress on our punch list items and expect to begin moving back to the new console starting in mid-June.

2025-7 Computer Aided Dispatch (CAD) Upgrade Part 1 - This is the first part of our multiyear CAD upgrade, it encompasses the Request for Proposal (RFP) creation, publishing, response review, and vendor selection. Onsite Demos have been scheduled for the week of May 12. Invites have been sent to the agency reps and our internal staff and we will be using an online survey to evaluate feedback similar to what we did when we selected the radios.

### **Staffing Report**

Ms. Taylor reported that We lost one employee since the last board meeting due to the high overtime and lack of work life balance.

We have six vacant positions on the dispatch floor. Last week 4 telecommunicator trainees started our classroom academy. We lost one of them due to an injury outside of work, but she

will be rehired for our August academy. We also have 4 people in call receiver training and 4 people in law enforcement dispatch training.

We have 10 candidates in the background stage of recruitment for August when we plan to hire a minimum of four more trainees.

In our technical services group, a new systems technician started last week. We're also pleased to report that we promoted one of our master technicians to the open radio systems engineer position. He will start in his new position later this month. We were also able to extend an offer to the other final engineer candidate to replace the master technician, who we expect to start later this month. This will make us fully staffed in TSG.

We are fully staffed in our admin group.

### Good of the Order

None

### Executive Session

Chair Ellingson indicated that the Board would go into Executive Session for the purpose of discussing the performance of an employee in accordance with RCW 42.30.110 for fifteen minutes returning at 2:05. There will be no decisions made and the meeting will adjourn right after that.

**The Meeting adjourned at 1405.**

***The next scheduled meeting of the Kitsap 911 Board of Directors is June 3, 2024, at 1230 Virtually or In-Person at Norm Dicks Government Chambers.***

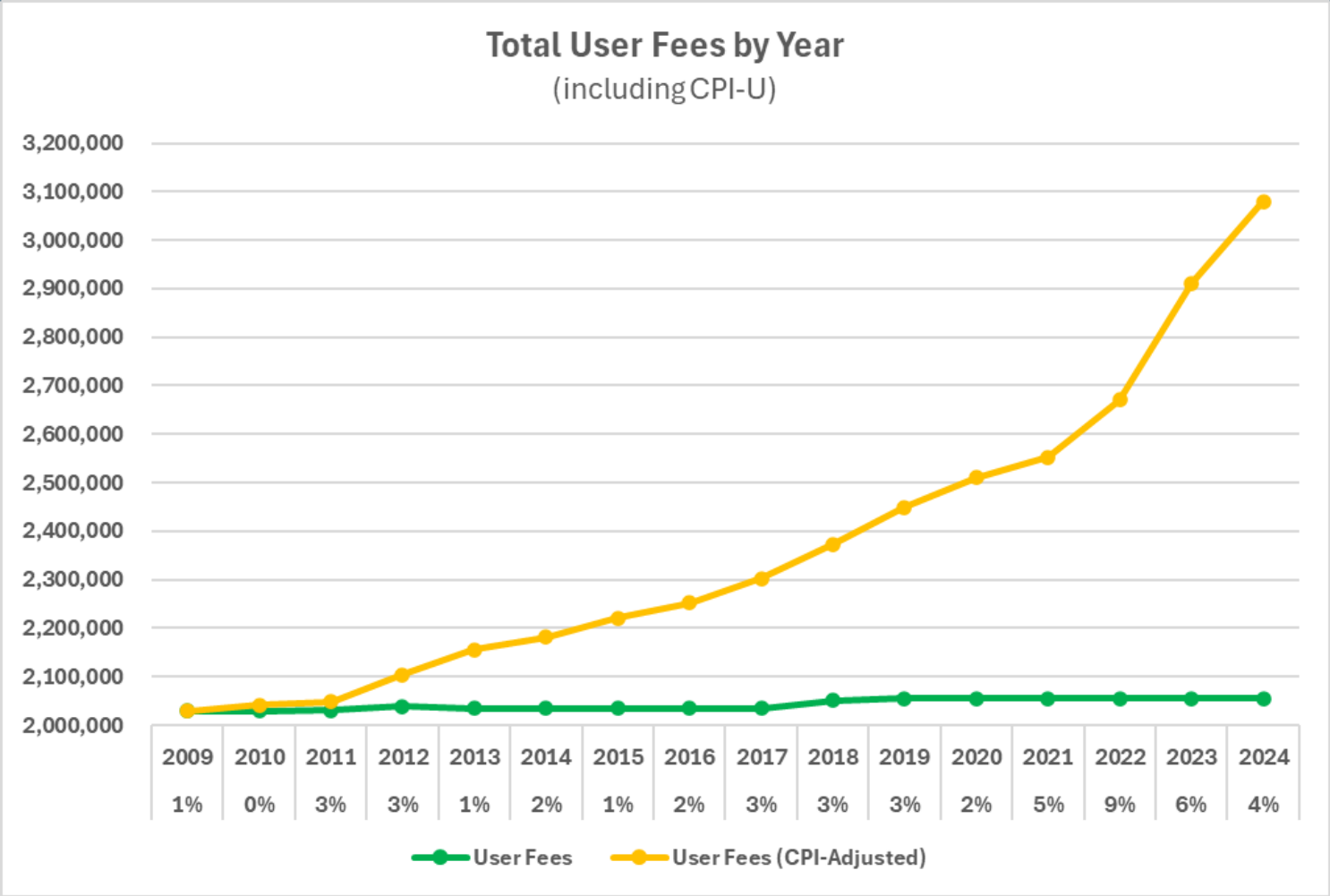




# Funding Options

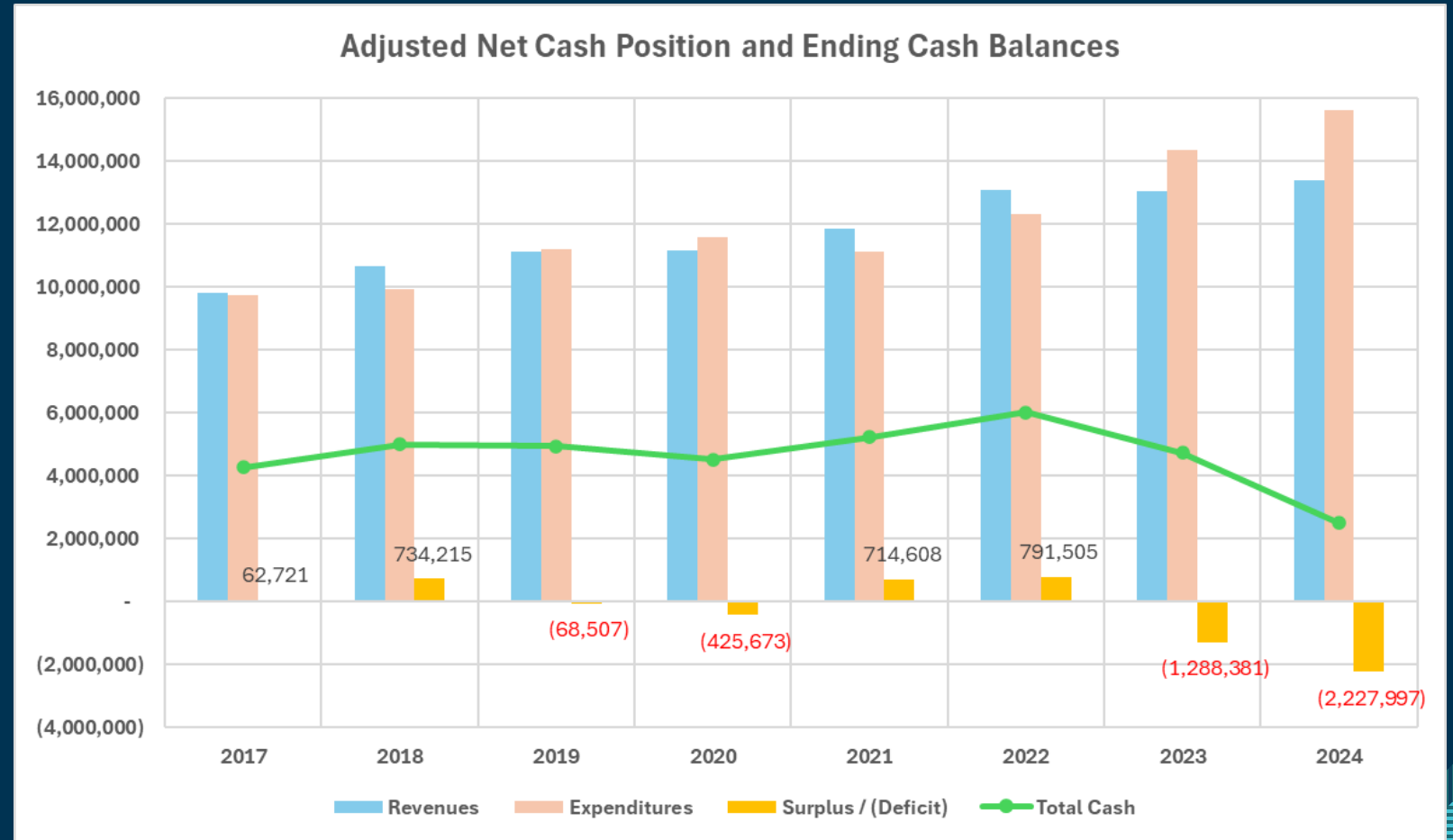
Comparative Analysis

# Why is an increase necessary?



# Why is an increase necessary?

- No increase in user fees since 2009
- Proposed user fee increase for 2020 budget:
  - \$369K – Rejected
  - \$169K – Rejected
  - No Increase – Approved
- CPI-U increases:
  - 2024 v. 2009: 45.7%
  - 2024 v. 2017: 30.5%
- For 2025, Board approved Prop 2 for use on certain operating expenditures (\$2.1M)



# Option 1 - \$722K User Fee Increase

Description: 13% of operating budget + 100% cost per unit + surcharges

## Pros

- Increase split over 3 years
- Adjusts with CPI-U
- Increase cap (7.5% max)
- Any overages refunded annually
- Supported by majority of KFC
- Provides adequate funding

## Cons

- Requires change to Bylaws
- Large increase to users

Agency	2025 User Fee Allocations		Total Difference	Difference per year (3-year split)	CPI: 2.0%	
	Original	Revised			2026 (CPI only)	2026 Total *
Kitsap County	\$ 572,876.05	\$ 782,742.05	\$209,866.00	\$ 69,955.33	\$ 584,333.57	\$ 654,288.90
Kitsap Coroner	9,722.86	10,901.44	1,178.57	392.86	9,917.32	10,310.18
Kitsap Animal Control	50,000.00	58,115.71	8,115.71	2,705.24	58,115.71	58,115.71
Poulsbo PD	84,156.97	119,998.16	35,841.19	11,947.06	85,840.11	97,787.17
Bainbridge Island PD	88,561.20	122,779.41	34,218.22	11,406.07	90,332.42	101,738.49
Port Orchard PD	130,199.02	170,773.60	40,574.58	13,524.86	132,803.00	146,327.86
Suquamish PD	64,441.43	88,273.45	23,832.03	7,944.01	65,730.26	73,674.27
Pt. Gamble PD	51,028.89	78,075.84	27,046.95	9,015.65	52,049.47	61,065.12
Bremerton PD	321,726.31	422,017.69	100,291.38	33,430.46	328,160.84	361,591.30
Bremerton Fire	184,108.58	208,589.57	24,480.99	8,160.33	187,790.75	195,951.08
North Kitsap F&R	67,207.20	103,604.95	36,397.75	12,132.58	68,551.34	80,683.92
Port Gamble Fire	5,879.17	5,888.84	9.67	3.22	5,996.75	5,999.97
Central Kitsap F&R	188,674.22	250,210.59	61,536.37	20,512.12	192,447.70	212,959.82
South Kitsap F&R	222,103.69	272,963.83	50,860.14	16,953.38	226,545.76	243,499.14
Poulsbo Fire/FD18	87,557.71	130,610.07	43,052.36	14,350.79	89,308.86	103,659.65
Bainbridge Island Fire	72,375.50	96,886.27	24,510.77	8,170.26	73,823.01	81,993.27
<b>Total</b>	<b>\$ 2,200,618.78</b>	<b>\$ 2,922,431.47</b>	<b>\$721,812.69</b>	<b>\$240,604.22</b>	<b>\$ 2,251,746.87</b>	<b>\$ 2,489,645.85</b>

\*estimate

# Option 2 - \$462K User Fee Increase

Description: 13% of operating budget + 65% cost per unit + surcharges

## Pros

- Smaller increase
- Increase split over 3 years
- Adjusts with CPI-U
- Increase cap (7.5% max)
- Any overages refunded annually

## Cons

- Requires change to Bylaws
- No additional Ops employees
- Canceled/delayed projects
- KFC concerned cut is too large

Agency	2025 User Fee Allocations		Total Difference	Difference per year (3-year split)	CPI: 2.0%	2026 Total *
	Original	Revised			2026 (CPI only)	
Kitsap County	\$ 572,876.05	\$ 717,881.88	\$ 145,005.83	\$ 48,335.28	\$ 584,333.57	\$ 632,668.85
Kitsap Coroner	9,722.86	9,282.69	(440.18)	(146.73)	9,917.32	9,770.59
Kitsap Animal Control	50,000.00	55,761.47	5,761.47	1,920.49	55,761.47	55,761.47
Poulsbo PD	84,156.97	107,514.70	23,357.74	7,785.91	85,840.11	93,626.02
Bainbridge Island PD	88,561.20	110,978.66	22,417.46	7,472.49	90,332.42	97,804.91
Port Orchard PD	130,199.02	157,448.40	27,249.38	9,083.13	132,803.00	141,886.13
Suquamish PD	64,441.43	79,850.98	15,409.55	5,136.52	65,730.26	70,866.78
Pt. Gamble PD	51,028.89	68,140.88	17,111.99	5,704.00	52,049.47	57,753.47
Bremerton PD	321,726.31	391,135.29	69,408.98	23,136.33	328,160.84	351,297.17
Bremerton Fire	184,108.58	193,390.35	9,281.77	3,093.92	187,790.75	190,884.67
North Kitsap F&R	67,207.20	91,143.58	23,936.39	7,978.80	68,551.34	76,530.14
Port Gamble Fire	5,879.17	5,888.84	9.67	3.22	5,996.75	5,999.97
Central Kitsap F&R	188,674.22	223,555.73	34,881.51	11,627.17	192,447.70	204,074.87
South Kitsap F&R	222,103.69	248,863.88	26,760.19	8,920.06	226,545.76	235,465.82
Poulsbo Fire/FD18	87,557.71	114,162.99	26,605.28	8,868.43	89,308.86	98,177.29
Bainbridge Island Fire	72,375.50	87,618.36	15,242.86	5,080.95	73,823.01	78,903.96
<b>Total</b>	<b>\$ 2,200,618.78</b>	<b>\$ 2,662,618.68</b>	<b>\$ 461,999.90</b>	<b>\$ 153,999.97</b>	<b>\$ 2,249,392.63</b>	<b>\$ 2,401,472.11</b>

\*estimate

# Option 3 - Budget Consolidation

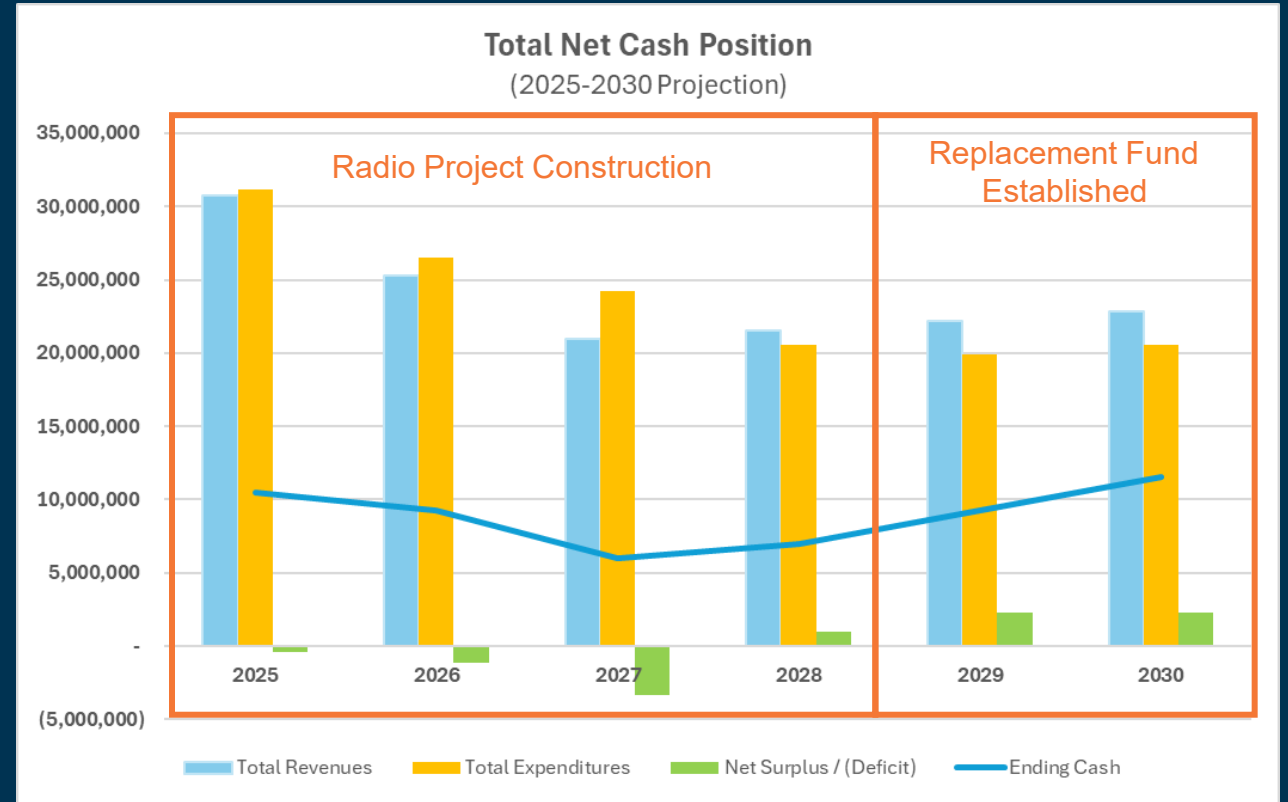
Description: Prop 2 combined with other revenues to fund Radio Project and all other expenditures

## Pros

- Use of funds consistent with RCW 82.14.420, resolutions, and all explanatory materials
- **\$0 increase** to user fees
- **No change to Bylaws**
- No change in Radio Project timeline

## Cons

- Possible inconsistency in Prop 2 messaging
- Stakeholder concern about future uses of funds / priorities
- Stakeholder concern about loss of visibility in budget presentations



	2025	2026	2027	2028	2029	2030
Stabilization Fund Balance	2,737,858	3,006,994	3,097,204	3,190,120	3,285,824	3,384,398
Equipment Replacement Fund	-	-	-	-	5,000,000	7,000,000



# Options at-a-Glance

Option 1: 13% of operating budget + **100%** cost per unit + surcharges

Option 2: 13% of operating budget + **65%** cost per unit + surcharges

Option 3: Prop 2 combined with other revenues to fund Radio Project and all other expenditures

Option Features	Option 1	Option 2	Option 3
Radio Project is fully funded	YES	YES	YES
Radio Project is impacted in any way	NO	NO	NO
Equipment Replacement Reserve funded	YES	YES	YES
Change to Bylaws required	YES	YES	NO
Increase to User Fees	YES	YES	NO
Initial increase split over 3 years	YES	YES	N/A
Increase supported by majority of KFC	YES	NO	N/A
Future increases to User Fees (CPI-U)	YES	YES	N/A
Cap on annual User Fee increases	YES	YES	N/A
User Fee overages refunded (if any)	YES	YES	N/A
Freeze on additional Ops employees	NO	YES	NO
Capital projects cut and/or delayed	NO	YES	NO

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# Board of Directors Radio Program Update

May 6, 2025

R. Scott Peabody, P.E.

[speabody@kitsap911.org](mailto:speabody@kitsap911.org)

360 552-8402





# Topics

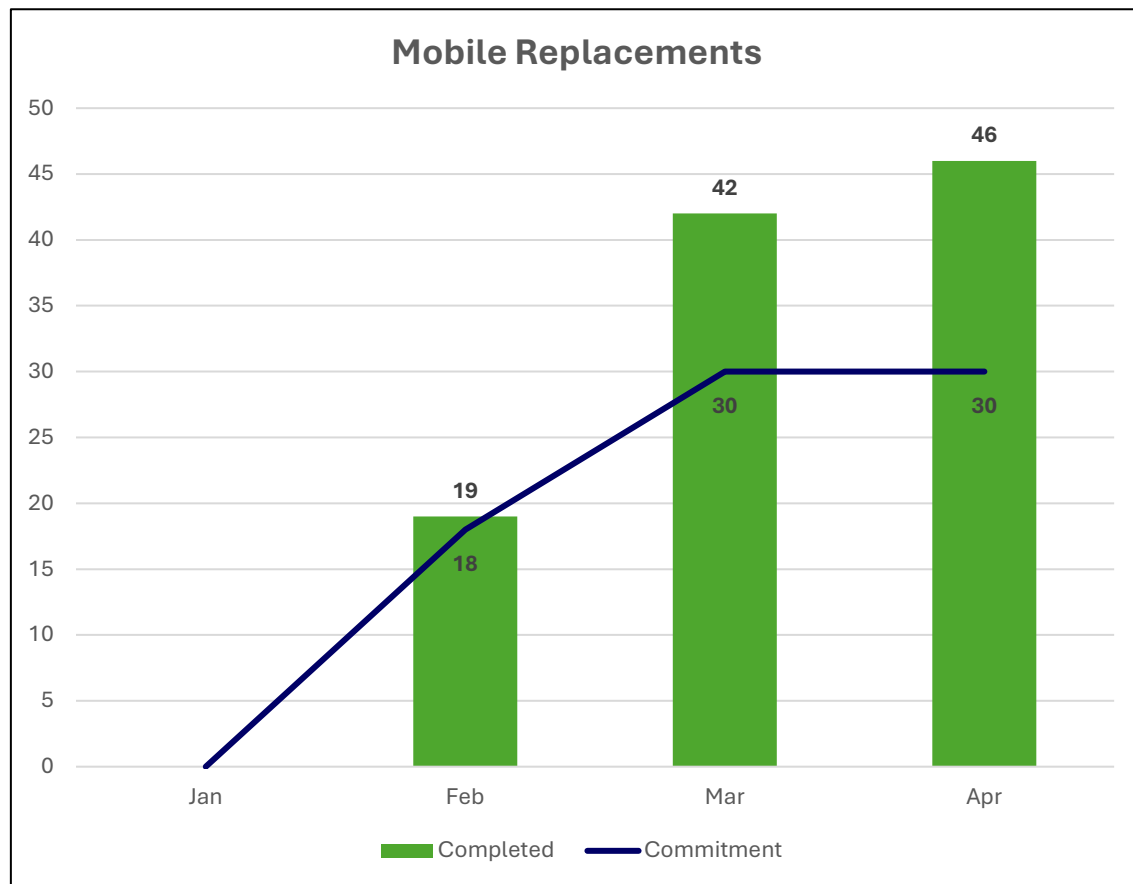


- User Radio Replacements Progress
- Supply Chain Risk Update
- Radio System Status
- Law Cutover in 2025?



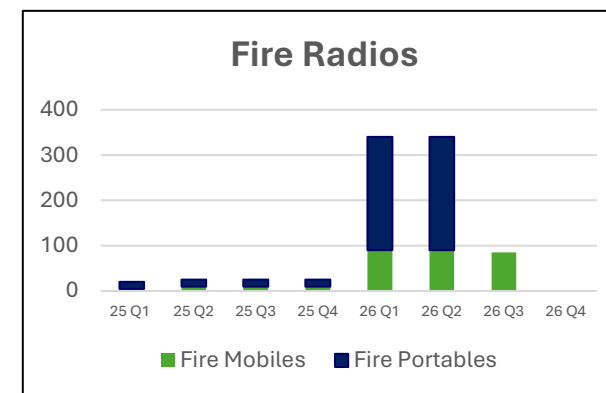
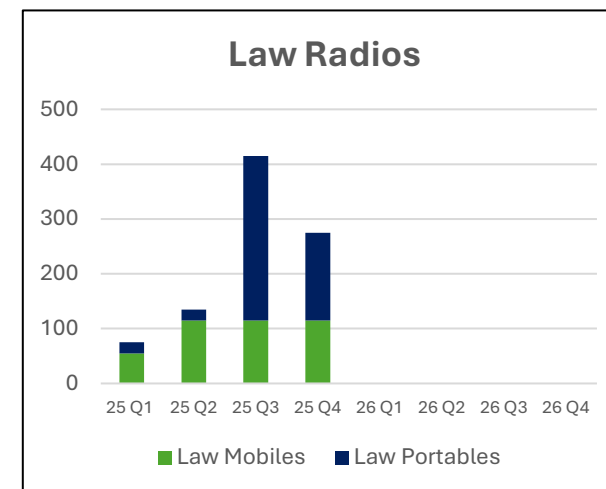


# Mobile Radio Replacement Progress



**Mobile Replacements Ahead of Original Plan**

## Original Plans



# Supply Chain Risk Update



## Price

- Stage 1 Infrastructure is Built
- Many Radios Need to be Purchased
- Fixed Prices for Major Equipment and Services are Contracted
- Inflation Expected in Later Stages for Construction Materials (Batteries, Electrical, Towers) and Non-contracted Labor

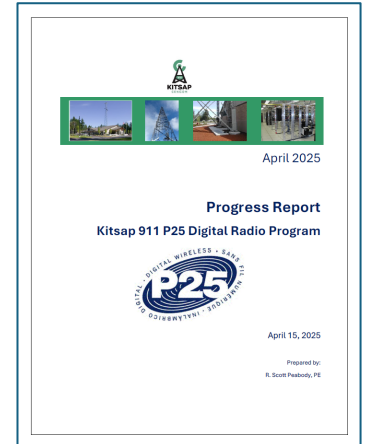
## Availability

- Radios Manufactured in Rochester NY
- Construction Materials Manufactured in US Due to High Shipping Costs

**Low to Medium Risk**

# Radio System Status

- 15 of 15 Stage 1 Sites on the Air
- Drive Testing
  - Started in April, Continuing in May
  - First Assessment Coverage
  - “Closer Look” at Coverage in April Report
- Dispatch Console Upgrade
  - Schedule Slip Due to Software Bug
  - No Impact to User Cutover (yet)

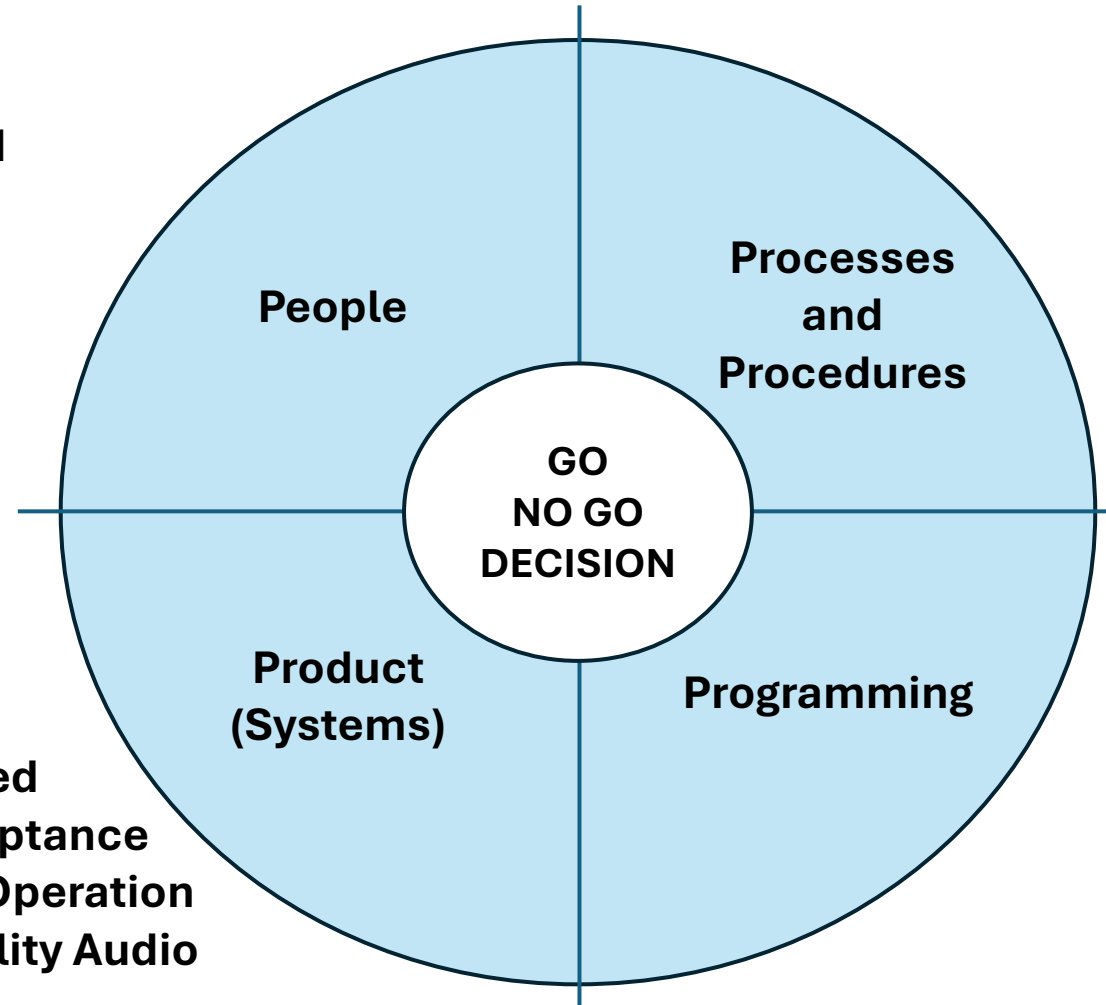


# Law Cutover in 2025? The 4 Ps



## 1. People

- Training Developed and Delivered
- Scheduling
- No Cutover During Year End Holidays



## 2. Processes and Procedures

- Impacts to Operations Assessed and Implemented
  - TAC Channels
  - Emergency Procedures
  - Interop, Encryption

## 4. Product (Systems)

- Coverage Optimized
- Final System Acceptance
- 30 Day Error Free Operation
- Good Interoperability Audio

## 3. Radio Programming

- Finish Mobile Replacements and Issue Portables
- All Deployed Radios Must be Reprogrammed
  - New Software Version
  - Feedback from Users

## Kitsap 911 2025 Key Projects and Initiatives

Technical Projects				Estimated		
Proj/Task#	Project/Initiative		Priority	Start	on	Status
2019 1	Backup Center - Phase 1		3	9/30/2022	TBD	In Progress
2023 2	Cyber Security Upgrade		3	Q4 2023	Q1 2025	Late
2023 3	Replace AV System		4	Q4 2023	Q2 2025	Rescheduled
2023 4	Dispatch Floor Project - Carpet		3	Q4 2023	Q2 2025	In Progress
2023 5	Dispatch Floor Project - Soundproofing		3	Q4 2023	Q2 2025	Complete+
2023 6	Dispatch Floor Project - Console Furniture		2	Q4 2023	Q2 2025	In Progress
2025 7	CAD Upgrade Part 1		1	9/1/2024	Q3 2025	In Progress
2025 8	Data Center Improvement		4	Q1 2025	Q3 2025	In Progress
2025 9	SonicWall Replacement		2	Q1 2025	Q3 2025	In Progress
2025 10	Firewall Cluster at Backup Center		3	Q4 2024	TBD	In Progress
2025 11	Windows Server Licensing		3	Q1 2025	Q3 2025	Complete+
2025 12	Temp Sensors at all sites		4	Q1 2025	Q4 2025	In Progress
2025 13	PowerRecall Implementation		4	Q1 2025	Q3 2025	Complete+
2025 14	QA program		3	Q4 2024	Q3 2025	In Progress
2025 15	CAD Upgrade Part 2		1	Q3 2025	Q3 2026	Not Started
2025 16	Backup Center - Phase 2		3	TBD	TBD	Not Started

Microwave Expansion Project (Multi-Year)				Estimated		
Task#		Milestone	Priority	Start	on	Status
MVE	1	Complete microwave hops to additional radio sites	2	Q1 2025	Q4 2025	Not Started

LMR Replacement Project (Multi -Year)				Estimated		
Task#		Milestone	Priority	Start	Completion	Status
LMR	1	Integration Testing of Radio System, Console system, CAD, etc.	1	Q2 2024	Q1 2025	In Progress
LMR	2	Move Radio Equipment to Tower Sites	1	Q3 2024	Q1 2025	In Progress
LMR	3	System Testing and Acceptance of Phase 1 Sites	1	Q1 2025	Q2 2025	Not Started
LMR	4	DC Power Systems Replacement	2	Q4 2023	Q2 2025	In Progress
LMR	5	Complete replacement of Law Portable Radios	1	Q1 2025	Q4 2025	In Progress
LMR	6	Phase 1 Coverage Testing	2	Q2 2025	Q3 2025	Not Started
LMR	7	Complete Replacement all Law Mobile Radios	1	Q1 2025	Q4 2025	In Progress