



Kitsap 911 Board of Directors Meeting on September 2, 2025

Via Virtual Meeting and Norm Dicks Government Building

ATTENDING:

Board of Directors:

Jennifer Chamberlin, City of Bremerton
David Ellingson, Fire Commissioner (Chair)
Becky Erickson, City of Poulsbo Mayor
Russ Clithero, 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
Katie Walters, 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
John Higashi, Technical Services Manager
Scott Peabody, Kitsap 911 Radio Program Manager
Barrie Hillman, Executive Assistant

Absent:

Eric Younger, City of Bremerton

Guests:

Chief Joe Clark, Bainbridge Island Police Department
Chief Rick LaGrandeur, North Kitsap Fire & Rescue
Chief Jeff Faucett, South Kitsap Fire & Rescue
Chief Jared Moravec, Bainbridge Island Fire Department
Chief Jay Christian, Central Kitsap Fire & Rescue
Chief Matt Brown, Port Orchard Police Department
Lance Holman, Holman Capital
Ken Bagwell
Bryce Odin
Alex Boeddeker

Call to Order: Chair David Ellingson called the meeting to order at 1231.

Additions:

Executive Director Maria Jameson-Owens requested that Agenda Item #10 Collective Bargaining Agreement be changed from an Action Item to a Discussion Item but remain in the same order on the agenda.

Public Comment:

None.

Consent Agenda

Chair Ellingson introduced the consent agenda items.

Director Beckey Erickson moved to approve the Consent Agenda including approval of minutes from the Board of Directors 07-01-2025 meeting and 07-08-2025 Special Board Meeting; the approval of payment of claims for A/P Warrant Numbers 7326 through 7456 totaling \$846,733.17; the payroll dated 07-04-2025, 07-18-2025, 08-01-2025, and 08-15-2025 totaling \$1,783,199.97; and the Use Tax dated June 2025 and July 2025 with a total increase of \$1,099.50. Director Oran Root seconds. Motion passed unanimously.

Employee Recognition

None.

Action Items

Approval of Strategic Initiative #5 - Enhancing Service Management and Efficiency

Ms. Jameson-Owens reminded that at the last Board Meeting we discussed Strategic Initiative #5 – Enhancing Service Management and Efficiency and the Board had no changes or updates to the initiative. Therefore, the final draft is ready for approval.

Director Rob Putaansuu moved to approve Strategic Initiative #5 – Enhancing Service Management and Efficiency. Director Katie Walters seconded the motion. Motion passes unanimously.

Approval of the Land Mobile Radio Project Master Finance Agreement

Finance Manager, Steve Rogers, indicated that the master financing agreement essentially lays out the core terms and conditions for any of the loans that we take out in the future against what is known as our guidance line of credit with the Holman Capital. Our first loan is expected to be approximately \$11 million. The way that this financing arrangement works is that once approved, we don't receive the \$11 million in one lump sum. Instead, we will submit a detailed list of the components being financed, and as we receive the invoices for those components, we'll submit those into Holman Capital, and they will pay those vendors directly on our behalf, drawing down against the \$11 million. If we decide to pay the loan off early, we are able to do so at any time on one of our scheduled payment dates.

This agreement was prepared by Holman Capital's legal team and has been reviewed by Kitsap 911's legal team, which includes our external legal counsel as well as the risk management team of our insurance provider, Washington Cities Insurance Association. All of their questions and comments have been addressed to their satisfaction so we would now ask for your approval for us to sign this agreement. Approving this now is important from a timing perspective so that our financing is in place when we need it to keep the radio project on schedule.

Director Walters commented that the contract has some incorrect dates for the end of elected terms for the Board of Directors. Mr. Rogers indicated those will be corrected.

Director Bob Muhleman moved to approve the Land Mobile Radio Project Master Financing Agreement. Director Dusty Wiley seconded the motion. Motion approved unanimously.

Approval of Radio as a Service

Ms. Jameson-Owens indicated that as we discussed at the June board meeting, we are recommending a "radio as a service" model for all non-member agency radios. This model supports interoperability and preserves the financial integrity of Proposition 2 (Prop 2) funding,

Under this model, Kitsap 911 would provide radios and on-going support in exchange for full cost recovery for all equipment needed, annual service, maintenance, and administrative fees, set up and programming fees, and costs for all non-warranty repairs.

Director Walters indicated that she went back to some of the materials when Kitsap 911 was proposing Prop 2 on the ballot in November 2021 and it was with 1 cent on every \$10.00 of

taxable purchases, Kitsap 911 will be able to secure funding to replace the entire emergency communication system. Further in the documents shows that the entire system does also include the fire Marshall, Community Development, the Juvenile Detention Center, and Emergency Management. She stated that because the county's general fund pays for the sheriff and the medical examiner, those two have been called out as members. Then the County under our general fund also pay for the Fire Marshall, Community Development, Juvenile Detention and Emergency Management. Now that the county is paying more because of the new service model, isn't it already included as part of what the Kitsap 911 is paying for because the intent of Prop 2 was to replace the entire emergency communication system?

Director Walter requested clarification on this because she is trying to preserve the County budget. She requested some clarification on why these have been pulled out because it is the same budget for the County.

Ms. Jameson-Owens indicated that Proposition 2 funds were for Kitsap 911 member agencies because we have never funded Mobile Computer Terminals (MCTs) or any type of other equipment for any of the other mentioned agencies. The unanticipated cost for those agencies could be \$70,000 to \$80,000 for radios for each.

It has been Kitsap 911's interpretation that we were sticking with the member agency philosophy but we have made some headway with the Fire Marshall's office. They have talked to us about joining the Kitsap County contract which means the amount they would have to pay would be much smaller each year. They would be required to have a contract for the entire period that it would take to pay off their radios.

We are trying to be flexible but we do not have the funds even in the Prop 2 money to pay for all of the extra radios. In the past the fire Marshall's office was supplied from Central Kitsap Fire who gave them their old radios, but that's not an option now because the old radios will not work on the new digital system. The Department of Emergency Management (DEM) has already found a solution. They got a grant for some of their radios and we also gave them a bit of a discount because they allowed us to use their facility for radio installs.

Ms. Jameson-Owens indicated that we really are trying to work with jurisdictions to make the process as easy as possible.

Director Walters asked how many years it would take to be able to give them a used radio?

Ms. Jameson-Owens indicated it could be up to 20 years before a radio needs to be replaced. They last a long time.

Director Clarence Moriwaki asked that with all these other agencies such as Juvenile Detention

and Emergency Management, have we informed them that they will have to pony up to be on the new system?

Ms. Jameson-Owens indicated that we have talked to the Fire Marshalls and DEM and the radio representatives have been talking to other emergency management representatives in the County. We have not talked to Juvenile Detention. One of our employees, John Sprague, was a previous Sheriff's Office employee and did not believe Juvenile was going to need to be on our radio system. They do not currently talk on our radio system today.

Director Moriwaki asked how many of them actually use the system now.

Ms. Jameson-Owens said there might be different options for what they need because there's going to be a mobile version that won't be a full radio but they will be able to talk on it as a radio when they need it. It is not as convenient or robust as a radio.

Director Moriwaki asked for clarification as to why we are under budget on the radio project now.

Ms. Jamson-Owens indicated it has taken us longer than anticipated to get to the point where we need to buy equipment. The first year, year and a half was spent building infrastructure and the biggest draw is going to be on buying the radios and equipment which has been delayed longer than anticipated.

Director Rolfes indicated that she would like to see what we think the revenues are going to be from the radio as a service model and allocated per non-member so that we have that structure because that's looks like some ongoing costs.

Chair Ellingson indicated that it should equal the expenses and be a wash because we won't charge them for anything that we haven't purchased.

Ms. Jameson-Owens said that Kitsap 911 is not making any money off of this issue. We're just providing them the service. We are charging them for any maintenance that we have to do on their radios, which accounts for the maintenance and administrative fees. The annual service is the same amount that every member agency is going to pay. The radio cost is the same amount that member agencies are going to pay. It is cheaper for Kitsap 911 to buy them because we buy them in bulk rather than the non-member agencies trying to buy a smaller number of radios. Kitsap 911 is not making any money on this.

Ms. Jameson-Owens indicated that the quote given to the Fire Marshall was \$65,000 based on the number of radios requested, but we are going to divide that up over a number of years. They would sign a contract to be a member agency for set term to cover the cost of the radios,

and it would cost them about \$8000 a year. It is also dependent on what equipment they want and if they can make the radio app on their cell phones work for them. That will be significantly less than trying to buy a \$7000 radio.

Director Rolfes indicated she did not mean to imply we would make a profit. The County Commissioners oversee a lot of different budgets. Even the Humane Society came to the County with a memo a couple weeks ago indicating they are raising their charges to all of their member agencies in part because they need to pay for 911 increased costs.

Director Rolfes requested a list of all the non-member agencies and an estimate of what the charges will be for them in the initial year if they are getting radios and then the ongoing costs so that the County knows what the additional costs are to each of the entities that the County funds.

Director Rolfes reiterated that the County is cutting programs this year and each of these increases is a cut that the County is going to have to make somewhere else. Director Rolfes indicated she is not asking us to not take the action, but she would to see that information.

Ms. Jameson-Owens said she can get that list to her and currently on it would be DEM, the Fire Marshall, and MultiCare Hospital. Animal Control and the Medical Examiner are already considered member agencies.

Director Putaansuu asked is animal control a member agency. Ms. Jameson-Owens indicated they are a contract agency with a \$50,000 minimum. Their increase is strictly related to their ongoing radio costs. They don't have to buy their radios because they have been a member of Kitsap 911. They primarily use the MCT function and not the radios, but they do have the ability to be on the radio if they need to.

Director Greg Wheeler moved to approve the Radio as a Service policy. Director Putaansuu seconded the motion. Motion approved unanimously.

Approval of Resolution 25-006 Public Records Index

Kitsap 911's attorney, Ken Bagwell, explained that recently agencies have been visited by the "1st Amendment Auditors" seeking a copy of the public records index referenced in RCW4256.070.

There's a legal requirement within that statute that agencies maintain an index of most, if not all of the records that the agency creates and maintained as a public record. But there is an opportunity to opt out of that requirement if in fact that requirement is unduly burdensome. Most agencies locally have opted out of maintaining the index.

In looking at this for Kitsap 911, there was a policy in place that did opt out of that indexing requirement but in an effort of just being overly cautious, we are creating an order establishing that Kitsap 911 will not need to maintain a public record index because it is unduly burdensome which would meet the requirements of the statute of being an official order. It is just the official order outlining why the indexing requirement is unduly burdensome and how it would negatively impact the agency.

Director Moriwaki asked what other agencies opted out. Mr. Bagwell indicated that just about all agencies that he works with including fire districts, water districts, port districts.

Director Moriwaki asked if we receive a Freedom of Information Act request, we can still comply. Mr. Bagwell said that we are not opting out of the requirement to comply with the Public Records Act, we are only opting out of the indexing requirement.

Director Moriwaki said that this was not the question. How is it done when there is a request. Are we able to easily find every record requested easily without indexing? Do you find another way so the public's right to know is not hindered. Mr. Bagwell indicated that because public records maintenance has become much easier with electronic records that not having an index does not hinder the agency's ability to respond to a public records request. However, to maintain an index that is specific to certain records and would grow every day is very burdensome.

Chair Ellingson indicated that the fire district office was visited by one of these individuals which the RCW requires you to have since 1973 to present. This individual visited the board meeting with a statement to get on record his request. Even for a small district the cost to create the index and maintain it was in the millions.

Director Jennifer Chamberlin asked if we need to add any further explanation or detail about why this is burdensome. Mr. Bagwell indicated the Resolution meets the legal requirements necessary to opt out of the indexing requirement addressing budgetary limitations, staff limitations as well as the sheer volume of records that would fall under that index.

Director Chamberlin asked if we had been subject to this request. Chair Ellingson said several agencies and school districts have been visited by this group. He emphasized that agencies also need to have authorized personnel only signs to keep visitors out of secure areas.

Director Chamberlin asked if there is any fine for not having it already. Chair Ellingson said the group is posting videos of their encounters with public officials to embarrass the agency. Mr. Bagwell said that we do have a policy that was adopted at some point to opt out but due to the recent activity we are putting this formal order into place and he is confident that our legal

position would be fine if it was every challenged.

Director Muhleman moved to approve Resoultion 2025-006 Public Records Index. Director Wiley seconded the motion. Motion approved unanimously

Closed Session – Collective Bargaining Agreement (CBA)

Chair Ellingson indicated the Board would go into closed session for the purpose of discussing the Collective Bargaining Agreement for 10 minutes at 12:57 returning at 1:07.

Discussion Items

2026 Budget Workshop

Mr. Rogers shared a [slide deck](#) that will take the Board through the 2026 budget section by section.

REVENUES

First in the revenue section is sales tax on line 2. For 2026, we are projecting total sales tax receipts to be approximately \$14.47 million, which represents an increase of 2.8% over our 2025 budget, and a 1.0% increase over 2024 actuals. We only beat our sales tax revenue forecast last year by 1.8%, and the annualized data we have so far for 2025 appears to be suggesting at least some level of economic slowdown.

On line 3, excise taxes are flat with both our 2025 budget and 2024 actuals. Landline and VoIP taxes continue to trend sharply downward as they have for the past several years, but that is offset by increases in wireless revenues.

Line 4, service fees are increasing, thanks to two main factors. The first is from the recent update to the funding formula. We are still projecting a deficit for 2026 which will be covered later.

The Calls for Service portion was kept pretty flat with 2025, which leaves the Surcharges portion to make up the rest of the difference. Surcharges for the Law Enforcement side barely moved, but on the Fire side, the increases were primarily from the Purvis maintenance agreement, Sonic Wall, and the Computer Aided Dispatch (CAD) alerting interface.

Moving on to our Other Regular Revenues on line 5, the largest elements of this section are tower lease revenues, investment interest, and miscellaneous revenues. For 2026, the major contributors to that \$43K increase are from standard annual increases in our tower lease contracts as well as changes in our investment income. Since our payments for the Radio Project are ramping up, we expect a steep drop-off in our cash levels, which has a direct and obvious effect on the amount we receive from our invested balances.

The \$11 million you see for debt proceeds on line 6 is our current best estimate for how much we will need to borrow to keep the Radio Project on track. Our cash flow policy is still to use as much Prop 2 money as we can to limit our debt, so that number could be lower, depending on the timing of those milestone payments.

On line 7, the Intrafund Transfer line is blank for 2026. That was just a topside entry we made in the 2025 budget to make the regular and Prop 2 columns balance out, but with all the changes we've made over the past year, it's not needed.

To wrap up the revenue section, we have two grants that we receive regularly each year, and the amount rarely fluctuates very much, so line 8 is staying pretty flat. All in all, looking at line 9, we are projecting an increase of about 2% over our 2025 budget which is a decrease of about 1% over our 2024 actuals.

Director Rolfes asked where the interest income is on the budget. Mr. Rogers indicated that it is under Grants and Other Revenues.

Chair Ellingson shared that he saw an article that indicated a whole set of new taxes will kick in October 1st such as sales taxes on Information Technology (IT) services. He asked if we had looked at the impact to Kitsap 911 for those taxes. Mr. Rogers indicated it is difficult to predict but there is very little that we pay for that isn't currently taxed. There are exemptions to sales and use tax for professional services occasionally but he has not done the analysis to see what that impact will be but as soon as he has some meaningful analysis, he will share it.

OPERATING EXPENDITURES - LABOR

Starting off with line 11, there is a \$2.5 million increase in our labor budget. That might seem high, but there are 2 things that are NOT contributing to that number.

First, we are in the middle of CBA negotiations, so a portion of that increase is the amount that was authorized for the new contract, but wage scale increases are not part of that. Regular wages only increased from the annual Cost of Living Adjustment (COLA) and normal step increases.

Second, we always budget for our unfilled positions, but there is a big difference between the budget for 2025 and 2026. In 2025, almost 20% of the entire labor budget was due to vacancies, but this year, it's only 9%. Because we've been able to attract and retain more qualified candidates than ever before, we have been able to reduce our overtime hours for 3 years in a row, which has greatly improved both employee satisfaction and the services we provide.

The increase does include the premium increase from our medical insurance provider by 15%. When that is applied to our employee demographics, that accounts for over half a million dollars, which is 20% of the increase overall.

Second, the current CBA includes a 3-year retention bonus, which will be paid in 2026. This is only something that happens once every three years, and the current estimate for it is about \$360K, which is about 14% of the increase.

The rest of the increase is due to smaller factors, like annual leave hours being cashed out due to planned retirements, increases in payroll taxes, and so on. Just for a frame of reference, the increase caused by the 15% jump in medical premiums accounts for more than all of the smaller changes combined.

Those are the primary drivers behind the change, and there isn't any padding in there. As a percentage of our operating budget, labor is consistently around 70% and 2026 is no exception to that.

OPERATING EXPENDITURES - OTHER

To make things simple, most of the large swings that on lines 12-25 can be explained with the phrase "radio project." The first part of the project was very construction and deployment-heavy – 2026 is where we are going to have to start paying a lot of the ongoing costs for the new radio system.

Line 12 Supplies and Fuel – Estimates for consumables, such as fuel and janitorial supplies.

Line 13 Computer and Other Equipment – this increase is almost entirely due to new testing equipment needed for the radio system.

Line 14 Software – the overall increase is \$521,000, \$350,000 of which is for virtual server infrastructure, and about \$120,000 is from cybersecurity software and enhancements that we need for the new workstations. The new radio system is digital, so cybersecurity is not an area where we can scrimp. The total increase here is about \$400,000, \$370,00 of which is due to the LTE Cellular connections that will be turned on in 2026 for the new radios.

Line 18 Equipment Rental and Leases – There are some routine, annual increases, but those are completely offset by our revised timeline for the tower leases needed in Phase 2. When our 2025 budget was developed, it was done with certain projections for when those additional tower sites would be identified. As the timeline progressed, we were able to improve our outlook, and we now know that the tower sites in Phase 2 won't be needed in 2026. Overall,

this is a reduction of approximately \$417,000.

Line 19 Building Insurance and Utilities – similarly, there are increases to both our insurance premiums and utility rates, but again, those are completely offset by the revision to the timeline for Phase 2.

Line 20 Repairs and Maintenance – This is almost entirely due to the microwave and radio equipment support that we will begin paying for in 2026. Additionally, there is a new extended warranty for the fire alerting system, regular increases for our CAD system, dispatch radio consoles, data logging recorder, and phone system maintenance.

Line 23 Debt Service – this item is new, and that number may fluctuate a little, but that will depend on the final amount we borrow and what the interest rate is when we execute later this year.

In total, excluding labor, we expect an increase of approximately \$1.1 million. To recap, most of those changes are due to upcoming operating costs from the radio project. Overall, it is an increase to our operating budget of \$3.6 million, or 20%, which is on line 26.

Director Rolfes asked if we are comparing to 2025 actuals or 2025 budgeted numbers. Mr. Rogers said this is the 2025 budgeted numbers.

Director Chamberlin asked when the current bargaining agreement deadline is. Ms. Jameson-Owens said the current agreement expires 12-31-2025.

NON-OPERATING BUDGET

Looking at line 27, we expect to spend somewhere in the neighborhood of \$14.4 million, and the majority of this is from tech projects that are funded by Proposition 2. The two projects with the largest financial impact are \$9.7 million for the radio project and \$4.2 million to upgrade our CAD system, but there are a couple others as well, related to completing our new backup center and replacing our remote 911 kits.

Because most of our resources are being devoted to those larger projects, we're keeping other workload somewhat light. We'll be working on Artificial Intelligence (AI) integration for operations, a new finance system, a rebuild of our website to comply with Americans with Disabilities Act requirements, and some smaller tower site improvements. All in all, we expect to expend a little over \$276,000 on those projects.

ENDING FUND BALANCE

Starting with Proposition 2, we expect to bring in \$18.4 million in revenues, including the debt proceeds, and expend approximately \$20.1 million. This leaves us with an estimated \$933,000 that will continue to be assigned for future use on the radio and other technical projects. If we exclude beginning balances and the \$11 million in debt proceeds, we would expect to be able to cover our operating expenditures by approximately \$738,000 – this is an important number to see because this tells us whether or not Prop 2 will be able to fund our technology costs in the future, and it looks like that's the case. As far as totals are concerned, we are expecting to spend more than we are bringing in and deplete most of our Prop 2 cash reserves, which leaves us with a total estimated deficit of \$2.4 million for the year.

Just to recap the other the side, our other revenues will be an estimated \$13.1 million, operating costs are \$14.7 million, and capital projects are \$0.3 million, which leaves us with an operating deficit of \$1.6 million, and a total deficit of \$1.9 million for the year. As discussed, when we updated the funding formula, we said that Option 2, which is where Kitsap 911 absorbs 35% of the ongoing costs for the new radio system and the overall increase is split over 3 years, we could make it work but at a cost. We knew we would have to balance our budget with our cash reserves, so we are expecting our fund balance to decrease from \$5.2 million to \$3.4 million. The additional user fees helped, and we delayed capital projects and cut the operating budget where we could, but in the end, we are still projecting a negative net cash position of \$1.9 million in total.

On top of that, we follow the stabilization fund recommendation from the Government Finance Officers Association, which is to leave about 2 months' worth, or 17% of total operating costs, in the bank as unrestricted cash. For 2026, that number is \$3.6 million, which means our non-Prop 2 revenues are not sufficient to fully fund our stabilization fund. When we first presented the funding formula options, we estimated a shortfall in our stabilization fund of \$263,000, so this budgeted result is right in line with our initial projections.

Director Rolfes asked if the ending fund position for 2025 was the estimated numbers or the budgeted position. Mr. Rogers indicated that is the budgeted ending position.

Director Rolfes said that the 2026 estimated beginning fund balance is based on the 2025 budget not actuals. Mr. Rogers said it is the 2025 budget number. The beginning balance number is a bit irrelevant because we are going to draw it down to minimize the debt. We have found our beginning fund balance calculations have been reasonably accurate and it is a difficult calculation because we are keeping Prop 2 separate.

Director Rolfes indicated that if the budget is presented with 2025 budget numbers and not actuals, the Board does not get to see the real numbers. Looking at the meeting notes our revenues to date are higher and the expenditures are lower which should make the 2025 actuals ending in a better position than we thought a year ago and should impact our decision

on the 2026 budget.

Mr. Rogers said that is accurate thinking but the only areas we are expecting to do better on the operating cost side are related to the radio project and those funds are going to be swallowed up in the amount we draw down when we pay for radios and other components. On the non-Prop 2 side things are going as expected so we have a good handle on what our cash balances are doing. In the July Finance Report in the meeting packet, at the end of July we had \$7.95 million in Prop 2 revenues and \$3.45 million in other revenues. If this is consistent, we are hoping our non-Prop 2 cash doesn't dip down any further. Our Prop 2 revenues are going to be spent on the project and our other revenues are being drawn down by the deficits we have been accruing for the past several years. Sales tax is also exhibiting a change in behavior that will be explained in the finance report. We project our sales tax revenue will only be over by 2% this year.

Director Rolfes referred to page 79 of the meeting packet which shows the stabilization fund and periodic debt analysis as of July 31. It shows the stabilization fund has \$11.4 million in it as of July 31 which is \$8 million more than we need.

Mr. Rogers said that the way we calculate the stabilization fund is to take 70% of our operating budget and that is the amount that we need to keep in unreserved unrestricted cash, which is \$3.6 million. The amount we had in our bank at the end of July was \$11.4 million. The problem is that \$7.9 million is already designated to be out the door for the radio project. The stabilization fund has to be funded by our other regular revenues and those are insufficient. We have the money but it is assigned for future use and the Board was very explicit on what we could spend that money on.

Director Putaansuu indicated he would appreciate using 2025 actuals for passing the budget in October. He had Ms. Jameson-Owens confirm that Phase I of the radio project is done in 2027 but additional tower work will be done in Phase 2 in 2027 and 2028. He stated it is unfortunate that we are dipping into our reserves but this is why we made a conscious decision to separate out the radio funds because if we didn't this \$250,000 would be buried in a co-mingled budget and we wouldn't know that operationally we ate some of our radio money with operational needs. We may need to make some course corrections but in a couple of years the radio project is going to be complete and we will be able to comingle these funds and use some of these dollars for operational needs.

Mr. Rogers asked for clarification on what actuals he would like to be used. Director Putaansuu would like annualized 2025 actuals used to compare to the new budget.

FTEs

Mr. Rogers continued by showing the list of authorized regular FTE positions. We are not requesting any new positions.

Director Rolfes had Mr. Rogers confirm that the public records specialist role is being reclassified as an administrative specialist.

USER FEES

We kept Calls for Service pretty much flat with 2025, and going forward that section is going to keep pace with inflation, since it's now tied to our operating budget.

This blue section is the new Cost per Unit component. The radio and MCT counts in these columns were provided by each respective agency, and the cost per unit amounts are in the next column over. These are 65% of the total cost, however, Kitsap 911 is absorbing 35%. The next column over is the total unit count times the cost per unit divided by 3, since we are spreading the total increase over 3 years. After that is the surcharges column, which shows the total costs for any other services requested by each individual agency.

Director Greg Wheeler referred back to the employee vacancy rate which is 9% this year. Mr. Rogers confirmed that last year 20% of the Labor budget was for vacant positions and this year it is 9% because we have fewer vacant rates.

Director Wheeler asked what the difference is year over year in the ending fund balance. Mr. Rogers said that this year we budgeted \$1.19 million for vacant positions and last year we budgeted approximately \$2.2 million. The delta is about \$1.03 million and approximately 5.9% of the operating budget.

Director Wheeler thought that individuals are trending back toward government jobs and folks are finding meaningful employment, which hasn't been the case in the last decade. Mr. Rogers shared an anecdote about the analysis of the labor market.

CAD Project Management

Kitsap 911 is preparing to implement a \$3.5 million upgrade to our Computer-Aided Dispatch system, the technology at the core of our operations. This is the technology at the core of our operations. It is the computer system that the dispatchers use and the mobile computer system that all law enforcement and fire use in their vehicles. It is at the heart of what we do and if CAD is down, the job is a million times more difficult to share information. It is also connected to the records management systems for law enforcement and fire. We have already contracted with National Public Safety Group (NPSG) to assist with contract negotiations, and we would also like to engage them for project management services.

This upgrade is not a routine version update—it is a transition to an entirely new CAD platform.

It will affect every Kitsap 911 employee, including our technicians, as well as every one of our partner agencies. It also directly impacts the Mobile Computer Terminals (MCTs) installed in police, fire, and EMS vehicles. While our staff are highly capable, they are already operating at or near full capacity with day-to-day responsibilities. Many are also heavily engaged in supporting the ongoing radio system upgrade.

The CAD project will require dedicated, sustained attention for at least 18 months. Having a project management group like National Public Safety will make this project much more sustainable and have a better outcome. If this project goes poorly, it will have a far-reaching impact to citizens. Internal staff will continue to play an important role, but the necessary level of focus cannot be met without compromising other critical priorities.

We chose National Public Safety Group after researching agencies that deal with public safety technology projects which is in line with our purchasing policy. They came highly recommended from other agencies within the state and this is in line with our purchasing policy.

NPSG brings key strengths:

- Specialized expertise in public safety technology with a strong track record managing CAD, Record Management Services, and Next Generation 911 implementations nationwide.
- A proven history of advocating for the best interests of public safety organizations, delivering reliable, trusted leadership on complex projects.

We have already seen significant benefit with their contract negotiation services, that will bring a cost savings and better overall terms. The overall cost for this will be about \$290,000 over an 18-month period. It has been included in the 2026 budget materials.

Board Review Structure Process

Kitsap 911 has contracted with Mission Critical Partners (MCP) to conduct a Board of Directors Composition and Effectiveness Study. Mission Critical Partners will be conducting an introductory session to the Board at a special board meeting on September 5, 2025 at 1100 via Zoom only.

The introductory session is followed up by a site visit on September 8 and 9. During this site visit they will be meeting with individual members of the Board and the Strategic Advisory Board for interviews. Additional time slots have been scheduled for interviews virtually in the

days and weeks following the site visit.

Mission Critical Partners will be gathering data and doing discovery and will then spend time conducting analysis which will be followed up by a final report and presentation to the board.

If you have not already done so, please email Barrie at bhillman@kitsap911.org with some time slots when you can do a virtual interview between September 11 and 30th.

Strategic Initiative #2 Progress Report

Mr. Rogers indicated that for action item #1, we will be reviewing and updating all of our finance policies and procedures. We started this, but it's taken a backseat to our work on the budget and financing, but we expect to resume work on that soon and be done by the end of the year. We're also going to be working to improve what and how we communicate important information to this board and the rest of our stakeholders. Not only that, but one of our new initiatives is the creation of a public-facing budget presentation. It is being designed to make financial information about Kitsap 911 readily available and easily understood. Once that is done, it will be published on our website.

As for our other big initiative, which is the funding formula, now that those changes have been approved, the only piece left to do is to get the 2026 user fees and budget approved. Once that's done, for at least the next 3 years, we'll be analyzing our budget performance to make sure the changes we made are solving the problem they were intending to fix.

Director Chamberlin asked what does "readily available and easily understood" mean.

Mr. Rogers said that the goal with the Board Budget presentation is to have highlighted information that is clear and simplified about our funding sources. It is geared to be public facing for anyone that is curious but might not have in-depth financial knowledge.

Ms. Chamberlin is supportive of having a more easily understood budget practice and asked whether there was a best practice that Kitsap 911 is employing with this.

Ms. Jameson-Owens indicated that current draft of the report is one that looks like an annual report rather than a spreadsheet and explains the different sections of the budget and where the numbers come from. We have seen several examples from other 911 centers that use this type of overview document for non-financial people, which has proven helpful.

Director Rolfes asked for more detail in the budget presentation for the next meeting. The presentation today was at a high level that she could not approve because it is not detailed enough. She wondered what we did last year. She said if we are going to be asked to approve a budget, please bring something that is not user-friendly but board-understandable.

Mr. Rogers said he can do that and that this presentation today was the same format that we gave in the prior year. He asked for clarification where more detail was needed.

Director Rolfes indicated that the financial statements from July 2025 are more detailed than the budget presentation. She requested that Mr. Rogers send what was approved last year and she will provide more information.

Standing Reports

Strategic Advisory Board (SAB) Report

Chief Rick LaGrandeur indicated that the SAB also discussed the Fire Marshal becoming a member agency through Kitsap County and are happy to support that as they are an important part of our response system especially for the fire districts to utilize them for investigations of fires.

He shared that the SAB members have also been invited to participate in interviews with Mission Critical Partners and are excited to be able to give some input on the board structure and will be interested to see what the results are.

Chief LaGrandeur said that the SAB is discussing the update of the agency service agreements which need to be addressed because of the changes with the funding formula and the communications equipment policy that was approved by the Board. Although the budget hasn't yet been approved, it is good for them to have the draft user fees to help them work through their 2026 budget processes as well.

Land Mobile Radio Project

Radio Program Manager, Scott Peabody, shared a [slide deck](#) about the status of the radio installations, the next radio order and news on the firmware and personality updates. The mobile installations were going well this summer with a slight slow down in July due to more complicated vehicles and boats. Then we discovered an error message called "IP unassigned" consistently coming up so we stopped installations to determine the cause. It is a typical computer error message that takes the radios out of service but the cause was discovered and we re-started installations at the end of August. This delay just puts us on the original schedule and we expect to finish Law Enforcement around the end of October and then we will start the more complicated installs on fire apparatus.

He continued that the next radio order will be submitted this week and the fire installations will follow the order selected by the SAB: South Kitsap, Bremerton Fire and Central Kitsap first. The

manufacturer has told us they will ship the radios by mid-October. He thanked the fire agencies for providing very detailed submittals on every vehicle so we can build these orders.

Finally, he said the firmware updates and the personalities that configure the radios need to be done on 256 radios. Each update takes about 45 minutes and keeps the radio out of service. We have verified the procedures and will start scheduling the updates with the agencies.

Monthly Financial Report

Mr. Rogers began with a deep look at sales tax revenue trends. The monthly financials are on track. At the end of July our revenues were above and our operating expenditures were below expectations. But there are some oddities. In [this graph](#) – this blue line shows how each month compares to the same month in the prior year. For example, this first data point shows that in March 2024 we received 3.9% more tax revenue than we did in March 2023 – the second one shows that August 2024 was 2.2% less than August 2023. The first observation is that we have some fluctuation from one month to the next, but overall, we've seen 6% growth year over year. The second observation is more worrisome. December 2024 revenues were over 10% higher than they were in 2023, but starting with January 2025, things started to change. In 2024, all of the highs were higher than the previous highs and the overall slope was positive, but in 2025, the highs have started to dip, and the slope is now trending negative. As any economist or stock trader will tell you, it's impossible to know when you're at the bottom or the top of the curve, but we're 7 months into 2025 so far, and that is starting to look a lot like the top of a bell curve.

This next graph is the same one but with the orange line showing the year-to-date totals compared year over year. Looking at it, this removes a lot of the volatility. Focusing on the March to July period – looking at this orange line, there is a downward slope. 2024's growth over 2023 was very flat, but not only that, when you look at the difference in the size of those purple boxes, the volatility is different.

We are not sure if we are experiencing stagnation or if we're at the edge of a slowdown, but sales tax behavior appears to be changing, and we should be cautious when looking at the overages we have right now.

Director Rolfes asked when we estimate what the sales tax revenue will be year over year, how do you determine this number?

Mr. Rogers uses the WA State Economists, two or three financial journals, sales tax trends and a number of different analyses. He also speaks to economists both in and outside of government. He tries to cast a wide net in order to avoid confirmation bias and to critically compare one body of work against another. We are experiencing a down turn in sales tax revenue.

Director Wheeler asked if the sales tax decline is after we factor in inflation.

Mr. Rogers indicated that these are the hard receipts we bring in year to year.

Director Erickson indicating that housing prices are also starting to fall, which is a sign of trouble.

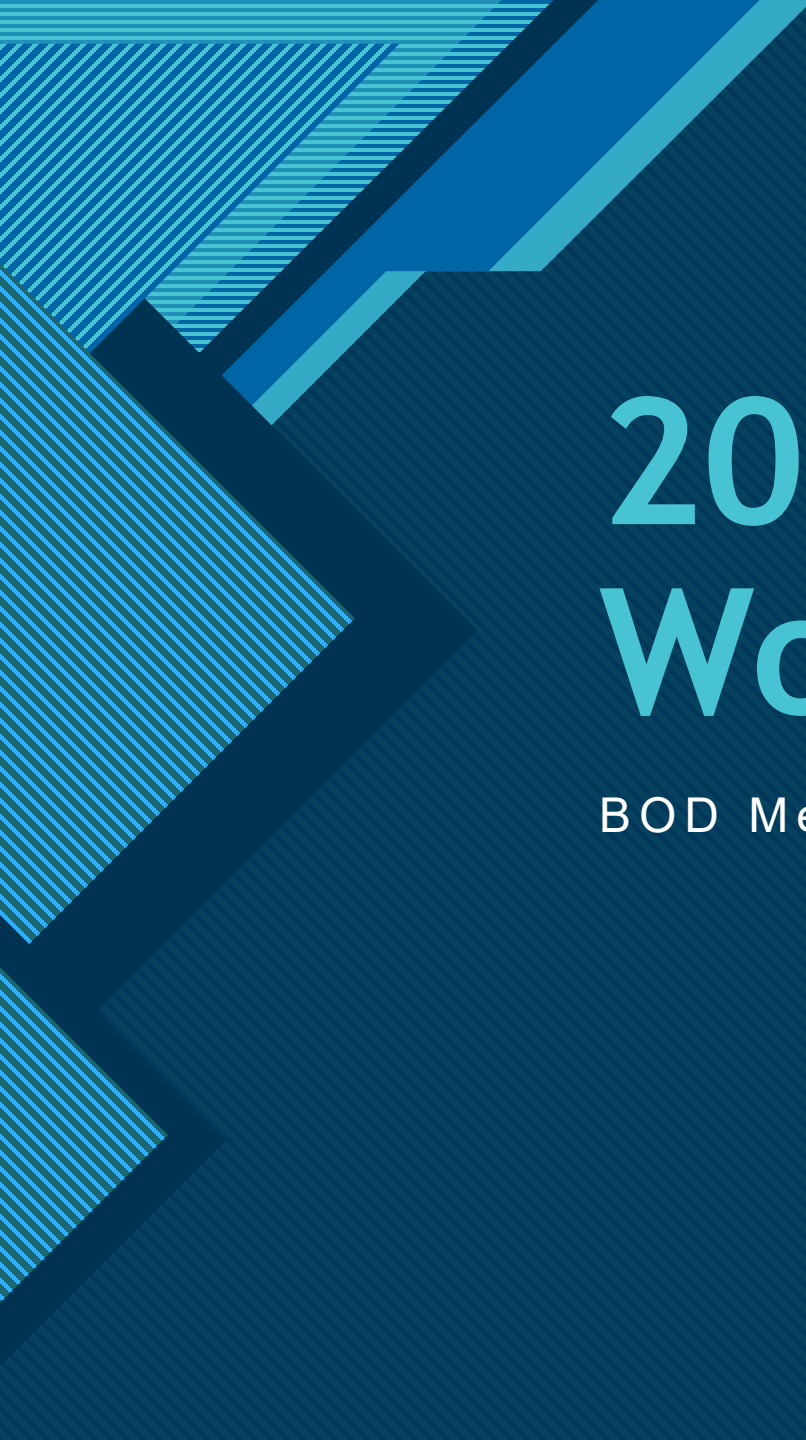
Good of the Order

Director Erickson asked about the status of the backup center.

Technology Services Manager, John Higashi indicated that the backup center is very close to replicating what we have at the Courthouse. There have been a few setbacks this past month with the electrical and utilities getting installed but it is very close. Ms. Jameson-Owens said we also still have our current backup center in the Courthouse and we have multiple remote kits in the homes of dispatchers where people can log in from there if needed.

The Meeting adjourned at 1406.

***The next scheduled meeting of the Kitsap 911 Board of Directors is October 7, 2025, at 1230
Virtually or In-Person at Norm Dicks Government Chambers.***



2026 Budget Workshop

BOD Meeting – 09/02/2025

2026 Budget - Revenues

Kitsap 911 Public Authority Budget Summary 2026

		2026 Budget			2025 Budget			Total Change	
		Regular	Proposition 2	Total	Regular	Proposition 2	Total	\$	%
1	Total Estimated Beginning Fund Balance	\$ 5,245,000	\$ 3,354,580	\$ 8,599,580	\$ 5,151,841	\$ 252,954	\$ 5,404,795	\$ 3,194,785	59.11%
2	Sales Tax	7,237,045	7,237,045	14,474,091	7,040,065	7,040,065	14,080,131	393,960	2.80%
3	Excise Taxes	2,734,359	-	2,734,359	2,718,354	-	2,718,354	16,005	0.59%
4	Service Fees and Surcharges	2,455,677	124,684	2,580,360	2,200,619	124,347	2,324,966	255,394	10.98%
5	Other Regular Revenues	591,687	-	591,687	548,236	-	548,236	43,450	7.93%
6	Proceeds from Debt Issuance	-	11,000,000	11,000,000	-	11,000,000	11,000,000	-	0.00%
7	Intrafund Transfers	-	-	-	(1,500,000)	1,500,000	-	-	0.00%
8	Grants and Other Revenues	53,202	-	53,202	52,142	-	52,142	1,060	2.03%
9	Total Revenues	13,071,969	18,361,729	31,433,698	11,059,416	19,664,413	30,723,828	709,870	2.31%
10	Total Beginning Funds and Revenues	\$ 18,316,969	\$ 21,716,309	\$ 40,033,278	\$ 16,211,257	\$ 19,917,366	\$ 36,128,623	\$ 3,904,655	10.81%

2026 Budget - Operating Expenditures

Kitsap 911 Public Authority

Budget Summary

2026

2026 Budget				2025 Budget			Total Change	
	Regular	Proposition 2	Total	Regular	Proposition 2	Total	\$	%
11 Total Wages, Salaries, and Benefits	\$ 12,636,359	\$ 2,777,393	\$ 15,413,752	\$ 10,367,244	\$ 2,540,334	\$ 12,907,577	2,506,175	19.42%
12 Supplies and Fuel	\$ 54,594	\$ 9,270	\$ 63,864	51,770	44	\$ 51,814	12,050	23.26%
13 Computer and Other Equipment	81,370	35,020	116,390	73,645	9,465	83,110	33,280	40.04%
14 Software	221,085	757,926	979,010	457,887	-	457,887	521,123	113.81%
15 Professional Services	384,599	16,480	401,079	360,776	515	361,291	39,788	11.01%
16 Communication	95,883	381,141	477,024	77,063	326	77,389	399,635	516.39%
17 Training and Travel	114,832	-	114,832	94,929	-	94,929	19,903	20.97%
18 Equipment Rental and Leases	221,605	60,887	282,492	307,604	392,099	699,703	(417,211)	-59.63%
19 Building Insurance and Utilities	311,138	39,758	350,896	346,794	66,811	413,606	(62,709)	-15.16%
20 Repairs and Maintenance	512,219	1,053,190	1,565,409	903,486	558,637	1,462,123	103,286	7.06%
21 KCIS Network and Information Technology	-	76,180	76,180	117,903	-	117,903	(41,723)	-35.39%
22 MCT Hardware and Software	-	446,456	446,456	374,410	51,500	425,910	20,546	4.82%
23 Debt Service	-	967,219	967,219	-	470,000	470,000	497,219	105.79%
24 Other Expenditures	46,083	2,575	48,658	84,159	397	84,556	(35,898)	-42.45%
25 Total Operating Supplies and Services	2,043,407	3,846,102	5,889,508	3,250,425	1,549,794	4,800,220	1,089,289	22.69%
26 Total Operating Expenditures	\$ 14,679,766	\$ 6,623,495	\$ 21,303,261	\$ 13,617,669	\$ 4,090,128	\$ 17,707,797	3,595,464	20.30%

2026 Budget - Capital & Non-Operating Expenditures

Kitsap 911 Public Authority
Budget Summary
2026

		2026 Budget		
		Regular	Proposition 2	Total
27	Capital and Other Non-Operating Projects	276,000	14,160,000	14,436,000
28	Total Capital and Other Non-Operating Projects	276,000	14,160,000	14,436,000
29	Total Appropriation	\$ 14,955,766	\$ 20,783,495	\$ 35,739,261

2026 Budget - Ending Fund Balance & Cash Position

Kitsap 911 Public Authority

Budget Summary

2026

2026 Budget

2025 Budget

Total Change

Regular Proposition 2 Total

Regular Proposition 2 Total \$ %

1	Total Estimated Beginning Fund Balance	\$ 5,245,000	\$ 3,354,580	\$ 8,599,580
9	Total Revenues	13,071,969	18,361,729	31,433,698
10	Total Beginning Funds and Revenues	\$ 18,316,969	\$ 21,716,309	\$ 40,033,278
26	Total Operating Expenditures	\$ 14,679,766	\$ 6,623,495	\$ 21,303,261
28	Total Capital and Other Non-Operating Projects	276,000	14,160,000	14,436,000
29	Total Appropriation	\$ 14,955,766	\$ 20,783,495	\$ 35,739,261
30	Estimated Ending Fund Balance	3,361,203	932,814	4,294,017
31	Total Appropriation and Ending Fund Balance	\$ 18,316,969	\$ 21,716,309	\$ 40,033,278

\$ 5,151,841	\$ 252,954	\$ 5,404,795	\$ 3,194,785	59.11%
11,059,416	19,664,413	30,723,828	709,870	2.31%
\$ 16,211,257	\$ 19,917,366	\$ 36,128,623	\$ 3,904,655	10.81%
\$ 13,617,669	\$ 4,090,128	\$ 17,707,797	3,595,464	20.30%
76,000	14,957,742	15,033,742	(597,742)	-3.98%
\$ 13,693,669	\$ 19,047,870	\$ 32,741,539	\$ 2,997,722	9.16%
2,517,588	869,496	3,387,084	906,933	26.78%
\$ 16,211,257	\$ 19,917,366	\$ 36,128,623	\$ 3,904,655	10.81%

32 Budgeted Operating (Deficit)/Surplus

33	Total Revenues - Excluding Debt Proceeds	13,071,969	7,361,729	20,433,698
34	Operating Expenditures	(14,679,766)	(6,623,495)	(21,303,261)
35	Structurally Balanced, or (Over)/Under by:	(\$1,607,797)	\$738,234	(\$869,563)

36

37 Total Budgeted (Deficit)/Surplus

38	Total Revenues	13,071,969	18,361,729	31,433,698
39	Total Expenditures	(14,955,766)	(20,783,495)	(35,739,261)
40	Total (Deficit)/Surplus	(\$1,883,797)	(\$2,421,766)	(\$4,305,563)

Stabilization Fund (2 Months of Operating Costs)

Total Operating Costs	\$21,303,261
GFOA Recommendation	17%
Total Stabilization Fund	\$3,621,554

Regular Ending Fund Balance	3,361,203
(Under) / Over Funded by	(\$260,351)

2026 Budget - Authorized Regular FTE Positions

Kitsap 911 Authorized Regular FTE Positions			
Classification	Grade	2026	2025
Administrative Specialist	Admin1	3.0	2.0
Executive Assistant	EXAD2U	1.0	1.0
Public Records Specialist	PUBREC	0.0	1.0
Deputy Director	M4	1.0	1.0
Executive Director	ED	1.0	1.0
Finance Manager	M1	1.0	1.0
Human Resources Manager	M1	1.0	1.0
Assistant Director for Operations	M2	1.0	1.0
Operations Program Manager	PM1	0.0	0.0
Professional Standards Program Manager	PM1	1.0	1.0
Training Program Manager	PM1	1.0	1.0
Public Safety Communications Assistant Supervisor	OS1	6.0	6.0
Public Safety Communications Supervisor	OS3	4.0	4.0
Public Safety Systems Analyst	T7	0.0	0.0
Public Safety Systems Engineer	T8	5.0	5.0
Public Safety Systems Master Technician	T6	2.0	2.0
Public Safety Systems Senior Technician	T4	1.0	1.0
Public Safety Systems Technician	T2	4.0	4.0
Public Safety Telecommunicator 1	OP2	12.0	12.0
Public Safety Telecommunicator 2	OP4	39.0	39.0
Public Safety Telecommunicator Trainee	OP1	0.0	0.0
Senior Public Safety Program Manager/Radio Engineer	PM1	1.0	1.0
Technical Services Manager	M2	1.0	1.0
Total		86.0	86.0

2026 Budget - User Fees

	Calls for Service			Cost per Unit (Total Increase Split Over 3 Years)										
				Radios			MCTs			Total		Difference		
Agency	CFS Minimum	Total Calls	Total CFS	Count	CPR	Total CPR	Count	CPM	Total CPM	Surcharges	2026 Allocation	2025 Allocation	\$	%
Kitsap County	\$ -	78,503	\$ 621,117.86	348	\$120.25	\$ 13,949.00	124	\$ 633.92	\$ 26,202.03	\$ 2,446.88	\$ 663,715.77	\$ 572,876.05	\$ 90,839.72	15.86%
Kitsap Medical Examiner	-	456	3,607.88	25	120.25	1,002.08	0	633.92	-	2,820.37	7,430.33	9,722.86	(2,292.53)	-23.58%
Kitsap Animal Control	50,000.00	5,675	-	10	120.25	400.83	5	633.92	1,056.53	1,389.37	52,846.73	50,000.00	2,846.73	5.69%
Poulsbo PD	-	10,804	85,481.54	61	120.25	2,445.08	25	633.92	5,282.67	2,446.88	95,656.17	84,156.97	11,499.20	13.66%
Bainbridge Island PD	-	11,421	90,363.26	61	120.25	2,445.08	23	633.92	4,860.05	2,502.37	100,170.76	88,561.20	11,609.56	13.11%
Port Orchard PD	-	17,270	136,640.71	74	120.25	2,966.17	25	633.92	5,282.67	1,810.88	146,700.43	130,199.02	16,501.41	12.67%
Suquamish PD	-	8,212	64,973.57	51	120.25	2,044.25	15	633.92	3,169.60	1,969.88	72,157.30	64,441.43	7,715.87	11.97%
Pt. Gamble PD	-	6,310	49,924.89	48	120.25	1,924.00	20	633.92	4,226.13	1,866.37	57,941.39	51,028.89	6,912.50	13.55%
Bremerton PD	-	43,801	346,554.70	187	120.25	7,495.58	55	633.92	11,621.87	1,810.88	367,483.03	321,726.31	45,756.72	14.22%
Bremerton Fire	-	9,863	157,100.53	76	120.25	3,046.33	11	881.35	3,231.62	25,325.26	188,703.74	184,108.58	4,595.16	2.50%
North Kitsap F&R	-	3,195	50,890.82	93	120.25	3,727.75	11	881.35	3,231.62	22,678.47	80,528.66	67,207.20	13,321.47	19.82%
Port Gamble Fire	-	270	4,300.63	0	120.25	-	0	881.35	-	1,865.46	6,166.09	5,879.17	286.92	4.88%
Central Kitsap F&R	-	10,060	160,238.39	196	120.25	7,856.33	24	881.35	7,050.80	26,597.26	201,742.78	188,674.22	13,068.56	6.93%
South Kitsap F&R	-	12,069	192,238.29	144	120.25	5,772.00	22	881.35	6,463.23	29,267.73	233,741.25	222,103.69	11,637.56	5.24%
Poulsbo Fire/FD18	-	4,012	63,904.22	105	120.25	4,208.75	17	881.35	4,994.32	26,597.26	99,704.55	87,557.71	12,146.84	13.87%
Bainbridge Island Fire	-	3,180	50,651.90	125	120.25	5,010.42	0	881.35	-	25,325.26	80,987.58	72,375.50	8,612.08	11.90%
Total	\$ 50,000.00	225,101	\$ 2,077,989.19	1,604		\$ 64,293.65	377		\$ 86,673.14	\$ 176,720.58	\$ 2,455,676.56	\$ 2,200,618.78	\$ 255,057.77	11.59%

Board of Directors Radio Program Update

September 2, 2025

R. Scott Peabody, P.E.

speabody@kitsap911.org

360 552-8402



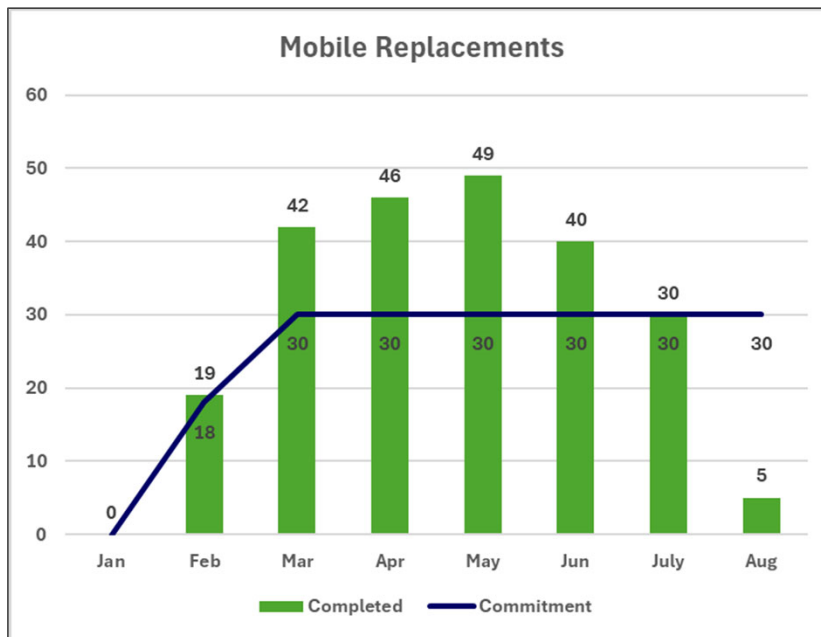
Topics



- Mobile Radio Replacement Progress
- Fire Radio Replacement Orders
- Firmware and Personality Updates



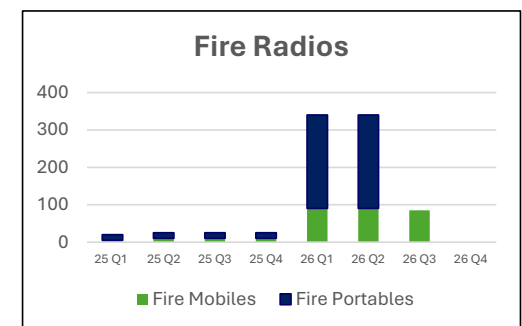
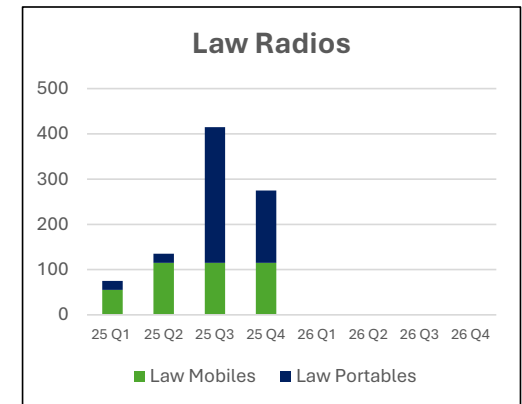
Mobile Radio Replacement Progress



Mobile Replacements Slightly Ahead of Original Plans

- More Complicated Vehicles
- Quality Problem – “IP Address Unassigned”

Original Plans



Fire Radio Replacements Orders

Fifth User Radio Order			
Agency	Portables	Mobiles	Base Stations
BFD	50	31	3
CKFR	135	52	5
SKFR	114	35	7
Total Radios by Type	299	118	15

Sixth User Radio Order			
Agency	Portables	Mobiles	Base Stations
PFD	58	29	5
NKFR*	82	33	2
BIFD*	75	32	3
Total Radios by Type	215	94	10

* Forecast

- Targeting Labor Day to Submit Order
- Forecast Already Submitted to Harris for Faster Delivery (mid-Oct)
- Targeting Nov. to Order Based on Law Installs at 30-40 per month)
- Add Fire Marshal Radios

Thank you to Fire Agencies for Submitting Requests!



Firmware and Personality Updates

- **Bad News! 256 Firmware Updates Needed**
 - **Firmware Updates : ~45 minutes**
 - **Personality Updates: ~3 minutes**
 - **Known: Early Deployments – Kitsap 911 Features**
 - **New: Fixes for Quality Problem**

Agency	Mobiles
KCSO	146
BPD	49
POPD	18
Other Agencies	43
Total	256

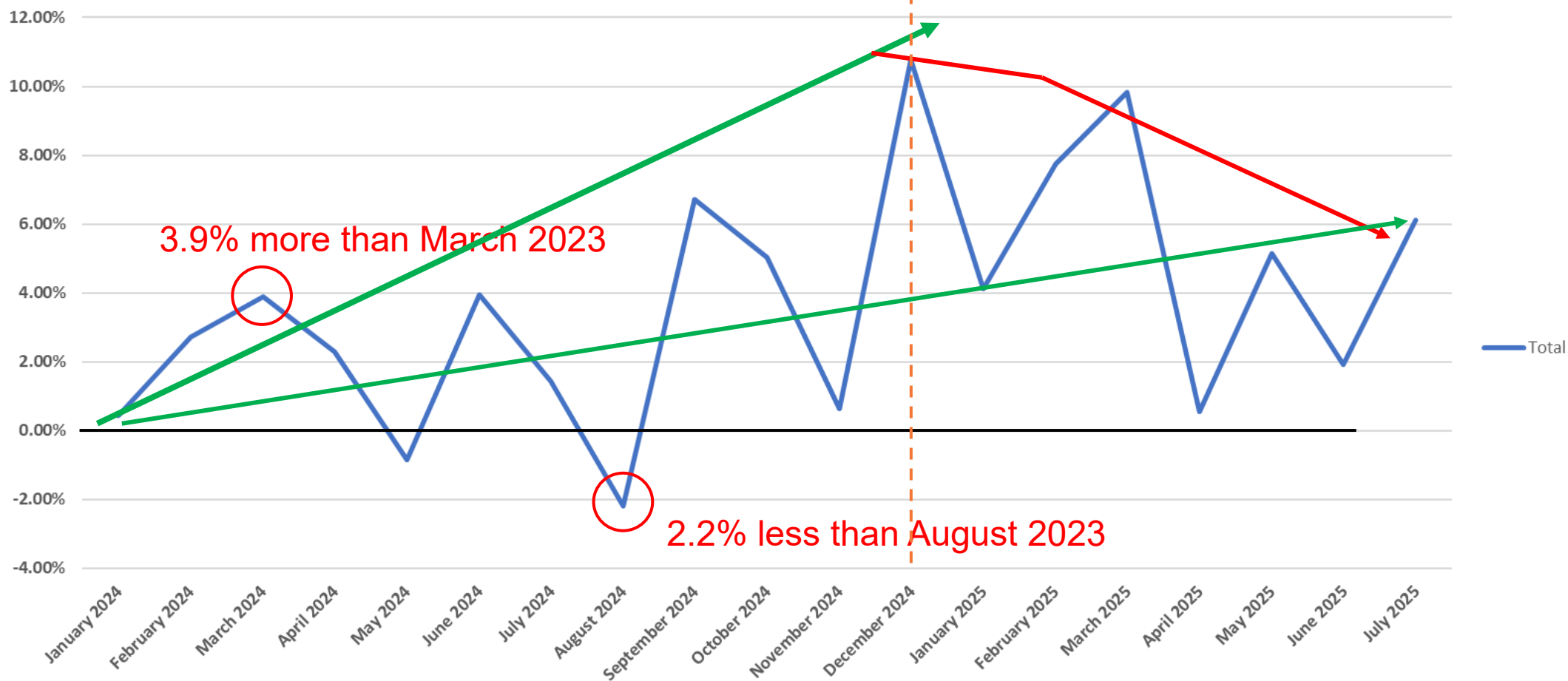
- **Technicians Performing Updates**
- **Verifying Procedures**
- **Scheduling Site Visits**

Sales Tax Analysis

Sum of MOM

Sales Tax Revenues Year-Over-Year Comparison

Month-Over-Month

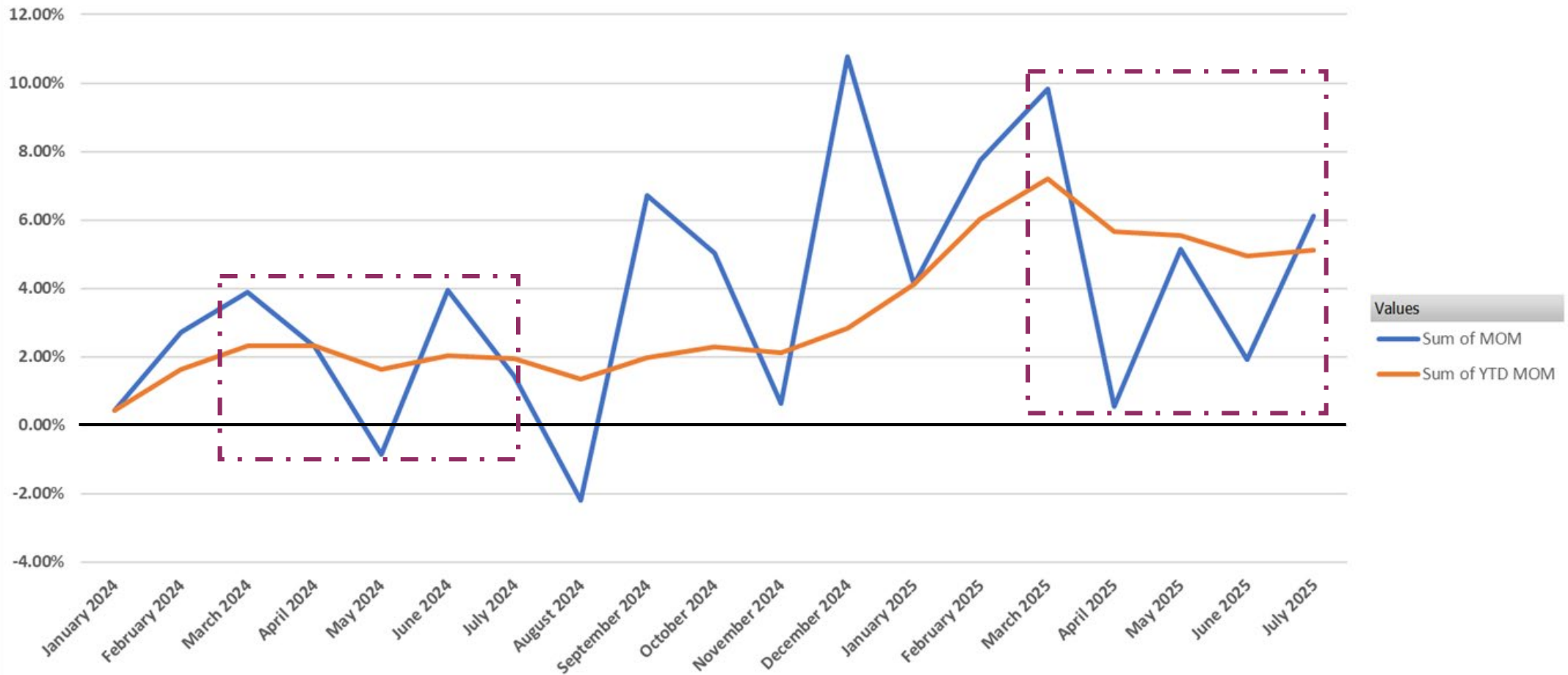


Date ▾

Sum of MOM Sum of YTD MOM

Sales Tax Revenues Year-Over-Year Comparison

Month-Over-Month and YTD Month-Over-Month



Date ▼