

RIVERCOM ADMINISTRATIVE BOARD MEETING
Wenatchee City Council Chambers, Wenatchee, Washington
Wednesday, January 7, 2009

Board Present: Dennis Johnson, Mayor, City of Wenatchee; Dale Snyder, Douglas County Commissioner; Keith Goehner, Chelan County Commissioner; Dave Bremmer, East Wenatchee Councilmember (for Wayne Barnhart); Phil Mosher, CCFD-1 User Group Representative.

Ex-Officio Members Present: Doug Williams, Cascade Medical Center.

Present: Sgt. Jim Brown, WPD; Syd Vinnedge, RiverCom Guild Legal Counsel; Stan Bastian, RiverCom Legal Counsel; Doug Hall, Day Wireless; Millie Tirapelle, Wendy Perry, Jerry Corder, Jackie Jones, Susan Nova, Dee Gutierrez, Karen Bull, Jason Ayers, Lisa Lewis, Jessica DeMyer and Renee VanBuskirk, RiverCom.

Chairman Johnson called the meeting to order at 10:35 a.m.

Introductions: Members and attendees were introduced.

Approval of the Meeting Agenda: The agenda was approved.

Approval of the Minutes: The minutes for December 10, 2008 were reviewed by the Board. Commissioner Goehner offered corrections.

Motion: Phil Mosher made a motion to approve the December 10, 2008 minutes with corrections. The motion was seconded and passed unanimously.

Voucher and Payroll Approval: Phil Mosher reviewed the December 2008 vouchers and recommended their adoption by the Board.

Motion: Phil Mosher made a motion to approve the vouchers and payroll as presented. Keith Goehner seconded the motion and it passed unanimously.

Board Chairman's Report:

Mayor Johnson read a letter of appreciation for outgoing Ex-Officio board member, Doug Williams. From RiverCom's beginning, Doug Williams worked to establish financial protocols and operational guidelines. He participated on the budget review committee and as the ex-officio representative for the EMS transport agencies. The administrative experience, good counsel and fellowship that he brought to the monthly meetings was invaluable. The Board wished him well in his retirement.

Doug Williams said that he was honored to be a part of this project. He wanted Mayor Johnson and the Board to know that their leadership style and commitment to this project has been a model for his life and career over the years. He added that he has appreciated Mayor Johnson's support and willingness to involve him in the decisions even as an ex-officio member.

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Board Elections:

Phil Mosher nominated Keith Goehner for the position of RiverCom Administrative Board Chairman. Dale Snyder seconded the nomination. There were no additional nominations.

Keith Goehner was elected Administrative Board Chairman by unanimous vote of the members.

Phil Mosher nominated Dale Snyder for the position of RiverCom Administrative Board Vice-Chairman. Dave Bremmer seconded the nomination. There were no additional nominations.

Dale Snyder was elected Administrative Board Vice-Chairman by unanimous vote of the members.

Phil Mosher advised the Board that the EMS Transport Group is comfortable with having the User Group Representative speak on their behalf; therefore, the Transport Group Ex-Officio position is no longer necessary. Dennis Johnson and Keith Goehner felt that the position should be retained. Phil Mosher said he will let the membership know the position remains open, should they wish to fill it.

Director's Report:

Site Updates:

Director Tirapelle said that she has been working on renewing radio site contracts. The Technicians have been working internally, as most of the sites are now snow-bound. Jerry Corder answered questions and explained an in-progress power and/or equipment malfunction at Blag Mountain.

State E911 Funding Discussion:

Director Tirapelle said she has been advised by the State 911 Program that the build-out of the centralized Next Generation (NG) 911 telephone system will be the top priority for funding for the next biennium. A centralized IP based telephone system will allow 911 calls to be forwarded or answered anywhere in the State. Eight counties have been selected for an NG911 pilot program. \$1.3 Million has been set aside by the State 911 office to begin this process. It will cost over \$200 Million to build-out the entire system. The Association of Public-Safety Communications Officers (APCO) has drafted a Bill to increase the 911 telephone excise tax. Senator Frasier will introduce the Bill on January 27th. The Kimball Study showed that the tax should be increased from \$.70 to \$1.65, on a graduated basis, to cover the costs. On a recent telephone conference call APCO's lobbyist told the telephone companies APCO will choose the dollar amount that will be plugged-in to the Bill. The telephone companies want one pay-point for their revenue remittance and do not want the tax revenue to be used for salary assistance. The APCO lobbyist recommended the Bill be introduced as a "fee" rather than a "tax". There has been concern expressed by the county 911 Directors that the funds collected for a State fee could be more easily reassigned. APCO

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representatives met with the Department of Revenue, and a number of Prosecuting Attorneys also looked into the funding model; they were satisfied the money could be protected and properly allocated to the appropriate counties.

Commissioner Snyder asked if the tax was for land-line or cell phone. Director Tirapelle said the language used in the Bill will be "broadband"; any device that can be used to connect to 911. Prepaid telephone cards are not currently a part of this Bill. The telephone companies have expressed a willingness to pre-tax these cards at the time of sale.

Mayor Johnson asked if, in fact, the telephone companies were successful in eliminating salary assistance as part of the \$1.65 amount collected, would the \$1.65 fee be reduced accordingly? Director Tirapelle stated that it may or may not be reduced. The telephone companies will argue that the tax should be reduced accordingly; but if the language is left as it has been proposed, the State would be able to allocate even more funds to statewide NG911. Mayor Johnson was concerned that the local User fees might have to cover almost \$1 Million more of the operating budget than they do now.

Commissioner Goehner asked why the telephone companies are so resistant to paying salaries. Director Tirapelle said that the telephone companies do not want to raise their monthly customer charges. By having to add higher taxes to their bill, their market competitiveness is being impacted. They believe local government should be paying for the salaries of their employees through local taxes or fees. The revised code of Washington (RCW) and the language in the Washington Administrative Code (WAC) currently provides for the money collected by the excise tax is to be used for hardware and networking first, and then to provide for at least one 911 call-taker in every county (5.5 employees). However, over the past 17 years, State salary assistance has grown (through internal policy changes) to include several more PSAP salaries in addition to the one call-taker. Mayor Johnson said that he read that the Association of Washington Cities (AWC) is going to support the increase.

Director Tirapelle said when she receives the language on the 911 Funding Bill she will email it to the Board members for their review.

1/10th of 1% sales tax measure discussion:

Commissioner Goehner asked where the language in the first paragraph of the 1/10th of 1% Funding Agreement came from. Director Tirapelle explained that it came out of Chapter 176, RCW 84.14. adopted in 2002.

Director Tirapelle explained that the first year's revenue would be applied solely to the RiverCom budget and will be assigned in priority order to include salary assistance if State reimbursements are eliminated or decreased by the E911 Program, Capital Improvement Projects including, but not limited to, the replacement of eleven obsolete dispatch console controllers, and routers in support of the NG911 VIPER telephone network. VIPER will be paid for and installed by the State, but there will be a \$150,000 cost to RiverCom for interfaces to our own systems. Any unexpended project funds would go toward the jail and courts interface to the Spillman Computer-Aided Dispatch (CAD) System. Doug Williams asked what the tax

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revenue is projected to be; Director Tirapelle said \$1.7 Million annually. For the second to the fourth year, 30% of the collected revenue would go to the annual Maintenance and Operation Fund, which would lower user's fees; and 70%, would be placed in the RiverCom Capital Improvement Fund for the prioritized improvement of emergency communications systems. The Sparling radio Study estimated \$12 million would be needed for these repairs. Beginning in the 2nd year, the Users would be able to apply for shared funding assistance for specific projects that would facilitate improved integration with RiverCom's telecommunications systems, not to exceed 15% of the revenue received.

Director Tirapelle said that the Funding Agreement has been revised in accordance with the Board's request to delete the dollar amounts. Thad Duvall and Skip Moore recommended March as the best time to put the 1/10th of 1% Measure on the ballot, as costs would be split with the Wenatchee School District and the Eastmont School District. If we can provide the draft ballot language by January 17, 2009, the Auditor's Office could run the review process concurrently and the measure could go on the March ballot. Doug Williams asked if the RiverCom Board had to adopt the actual ballot language. Dale Snyder said usually the Prosecuting Attorney comes up with the language that is on the ballot. Director Tirapelle said that the prosecuting attorneys from both counties would confer as to the language from a draft submitted by RiverCom. Mayor Johnson said that he could not bind the Wenatchee City Council with his decision regarding this issue as the Council may not agree. He added that his concern is what might happen if one county approved the tax measure and the other one rejected it; it would then be difficult to implement the Sparling Study. Commissioner Goehner said that when RiverCom was started they had a buy-in from everyone. To start separating out expenditures now would cause more problems down the road. He felt the ballot measure needed to be approached in the same way. Phil Mosher questioned if the measure could be written so that if one county didn't pass the measure, then it would not pass in either county. Doug Williams said that this happened in a bond issue in Leavenworth, where the city and the fire district had to both pass the bond or it would fail. He said this might be a model that RiverCom could use. Doug Williams asked if RiverCom has taxing authority. Director Tirapelle said that it does not.

Director Tirapelle advised that the first step is that the RiverCom Board would adopt a Resolution and Funding Agreement that the founding entities could agree upon. That Resolution would be presented to the two County Board of Commissioners and their respective Prosecuting Attorney. Each Board of Commissioners would review the proposal and adopt a Resolution authorizing the ballot measure in their respective county. Their two Prosecuting Attorneys would each review, confer with each other, and then authorize the ballot language from draft language submitted by RiverCom.

Commissioner Goehner said the Chelan County Commissioners have not discussed this tax measure proposal. There was further discussion by the Board about the timing of placing the measure on the ballot considering the economy, competing measures and time for public education. Phil Mosher said that the User Board had recommended March because of the shared election cost and the fact that other counties have passed 1/10th of 1% tax measures with very little campaigning. Mayor Johnson said he did not see how the two Boards of Commissioners could get this measure approved by the deadline of January 17th.

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Director Tirapelle advised the Board that RiverCom will have minimal Capital Improvement Funds by the end of this budget year, yet already know that a minimum of \$750,000 will be needed in the 2010 budget. Commissioner Goehner clarified with Director Tirapelle that the User contracts would need to be modified in order to collect fees from our Users for capital improvement projects. Director Tirapelle said that the only funds we have had for capital improvements were acquired through prior State year-end-supplement payments. Those funds have been expended and no further payments are projected. Mayor Johnson recalled there had been discussions in the beginning about establishing a reserve for capital improvements, but due to the increased User per-call cost from \$1.50 to \$2.00 the Fund was never implemented.

Doug Williams referred to the current financial statements in the Board packet and said that it looks like there is \$200,000 in the Reserve Fund. Wendy Perry clarified that the \$200,000 is reserved for Maintenance and Operating, not capital. She said RiverCom will end 2008 with approximately \$355,000 left in the Capital Fund, which has been encumbered for expenditures in 2009. Doug Williams said that in his business they have a depreciation account to pay for depleted assets and this would be a reasonable expense for the Users. Mayor Johnson was concerned that if we pass the 1/10th of 1% measure and reduce the user fees, seven years later we will again be in the position of not having funds for capital replacement. Doug Williams discussed the merits of using a bond measure for capital improvements; however it could not be used for operations or salaries.

Director Tirapelle asked for direction from the Board in regard to how they would like her to proceed with the 1/10th of 1% sales tax measure agreement. Commissioner Goehner said that next week they will find out if salaries are included in the 911 tax Bill and possibly get a sense about what kind of money may be coming from that. He said he would need more time to decide about the Funding Agreement. Mayor Johnson said that he felt we should aim for the August date. Commissioner Goehner said he will take this back to the Chelan County Commissioners to get feedback and then share this with Director Tirapelle. The Board was in agreement that the ballot measure must be passed by both counties. Mayor Johnson said he would like to have Director Tirapelle attend a Wenatchee City Council work session.

Administrative Service Manager Report:

Budget Update:

Wendy Perry referred the Board to the Budget Summary and Statement of Cash for review of the current budget. General Fund M & O vouchers in the amount of \$47,489.78 and Capital Project vouchers in the amount of \$2,970.87 were presented to the Board for approval. Payroll vouchers included benefits, overtime and shift differential for a total of \$193,326.05.

Prior to the vouchers being posted, the General Fund total is 93.7%. With the vouchers that were just approved the percent will increase to 95%. Capital Projects total for the year prior to approval is 96.84% and after approval is 97%. The total for both combined is 94.04%. The total for the year end will be 95% after posting the current vouchers. We did well staying within

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the budget. In previous years overtime and shift differential have exceeded projections, but this year we have been able to remain within budget. Wendy Perry expressed appreciation for the efforts of Operations Manager Jackie Jones and Shift Supervisors Monica Miller and Molly Elliott who have monitored schedules to control our overtime.

User Group Update: Phil Mosher had no further updates for the Board.

Good of the Order: This item had been previously addressed.

Executive Session: At 12:00 p.m. Phil Mosher made a motion to adjourn into Executive Session for approximately 45 minutes for the purpose of discussing a Guild Grievance.

Motion: Phil Mosher's motion to adjourn into Executive Session was seconded and passed unanimously.

Adjournment: The regularly scheduled meeting was reconvened at 12:52 and adjourned at 12:55 p.m.

RiverCom Administrative Board Members:

Commissioner Keith Goehner, Chairman

Commissioner Dale Snyder, Vice Chairman

Mayor Dennis Johnson

Councilmember Wayne Barnhart

Phil Mosher, Representing the User Group

Motions:

Motion: Phil Mosher made a motion to approve the December 10, 2008 minutes with corrections. The motion was seconded and passed unanimously.

Motion: Phil Mosher made a motion to approve the vouchers and payroll. Keith Goehner seconded the motion and it passed unanimously.

Nomination/Election: Keith Goehner was elected by unanimous vote of the members as the Administrative Board Chairman.

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Nomination/Election: Dale Snyder was elected by unanimous vote of the members as the Administrative Board Vice-Chairman.

Motion: Phil Mosher's motion to adjourn into Executive Session was seconded and passed unanimously.

Staff Assignments:

The RiverCom Board advised Director Tirapelle that the 1/10th of 1% sales tax Resolution and Funding Agreement must include language requiring that it pass in both counties.