SALT LAKE VALLEY EMERGENCY COMMUNICATIONS CENTER

BOARD OF TRUSTEES MEETING

October 20, 2021 Meeting Minutes

MEMBERS PRESENT:	Mr. Dan Petersen – UFA, Chairman Mr. Korban Lee – West Jordan, Vice-Chairman Mr. David Dobbins – Draper Mr. Doug Hill - Murray Mr. Gary Whatcott – South Jordan Mr. Kyle Kershaw – South Salt Lake Mr. David Brickey - Riverton Mr. Nathan Cherpeski - Herriman Mr. Mark Reid – Bluffdale Ms. Lisa Hartman - SLCo Mr. Tim Tingey – Cottonwood Heights Mr. Scott Harrington - Taylorsville Mr. Jake Petersen – UPD Mr. Wayne Pyle - West Valley City
MEMBERS ABSENT:	Ms. Gina Chamness - Holladay Mr. Mike Morey – Alta Open – Midvale
OTHERS PRESENT:	Mr. Scott Ruf – Director, VECC Mr. Clint Jensen – VECC Deputy Director Mr. Scott Young, VECC Legal Counsel Mr. Terry Addison – South Salt Lake Mr. Troy Carr – Herriman Mr. Derek Maxfield – West Jordan Mr. Robbie Russo – Cottonwood Heights Mr. Jason Knight – South Jordan Mr. Bruce Kartchner – Bluffdale Ms. Nicole Lopez – VECC Mr. Marcus Arbuckle, Keddington & Christensen Ms. Beth Todd – VECC Ms. Andrea Partridge – VECC Mr. Jonathan Bridges – VECC Mr. Andrew Smiley - VECC

In view of the COVID-19 Pandemic, this meeting will be held at virtually via ZOOM, as authorized by the Governor's Executive Order dated March 18, 2020 and affirmed November 8, 2020.

Mr. Dan Petersen called the meeting to order at 2:02 p.m.

Dan Petersen (00:00:27): I'll entertain an approval of the September 15th Trustee minutes.

David Brickey (00:00:47): I have a motion to make, but need to add a clarification, only because it's personal to me. I would move to approve the minutes with the correct spelling of my last name, adding E-Y to David Brickey throughout it it's just ends with the letter Y. People are going to wonder who the hell that is. I just want to clarify that. And then second, as I read it, whoever's transcribing is going to have a tough time as you get down into about page eight, it just starts identifying speaker 3, speaker 4, speaker 5. And I might just suggest as we go forward, Jake did it a couple times. And so did I think Chief Carr, they identified themselves before they started speaking. So it helped whoever was transcribing to put a name to the minute. So with those two, well, one's a suggestion. One's a request for correction. I'll make that motion.

Dan Petersen (00:01:47): Okay. Does anybody else care how we spell David's last name? Okay. I don't think we care. All right with that is there a second to the minutes?

Mark Reid (00:02:07): This is Mark I'll second it.

Dan Petersen (00:02:08): Okay. Unmute all those in favor of proving the minutes. Say aye.

Everyone (00:02:14): Aye.

APPROVAL OF SEPTEMBER 15, 2021 BOARD OF TRUSTEE MEETING MINUTES

Motion –

. . . by Mr. David Brickey, to approve the minutes of the September 15, 2021 Trustees meeting, the motion was seconded by Mr. Mark Reid; the motion carried unanimously.

Dan Petersen (00:02:16): Okay to agenda item 3 public comments. Did we get anything online or anything that you have Scott for public comment?

PUBLIC COMMENTS

Scott Ruf (00:02:29): We haven't received any Chief.

Dan Petersen (00:02:31): Okay. Anybody here have any public comment? Hearing none. Move to agenda item 4 and turn it over to Scott for the VECC performance and progress report, both 4.0 and 4.1.

VECC PERFORMANCE & PROGRESS REPORT

Scott Ruf (00:02:46): Thanks chief. So, as you can see, you're reviewing the report. We had again another, so September would've been the first full month on the new phone system. And as you see, for over August, we continue to make about a 3% improvement in efficiencies for under 15 seconds and 90 seconds. So we're stabilizing one of the requests during the audit and the legislature was they wanted to stop seeing the roller coaster ride. So we're starting to see some good numbers and steady numbers in relation to the standards going forward. October to date we're additional 2 or 3% improved in both categories as well to date. I think we're on the right track. We'll be able to stabilize this. We'll get off that roller coaster and we'll continue to maintain a consistent performance level in our answer times going through again we include our transfer rate until we finish the CAD project and the CAD-to-CAD stuff, this is going to remain consistent depending on activity in and around the county and with state patrol and then our abandoned rate, which came up from Senator Harper a while ago.

Korban Lee (00:04:21): Hang on before you go off the transfer rate. Scott, can I ask you a question?

Scott Ruf (00:04:24): Yeah.

Korban Lee (00:04:25): Does the new phone system affect the transfers at all in any way or not at all?

Scott Ruf (00:04:31): No, that is strictly when we transfer to another PSAP, when we transfer any 911 call, it gets registered as a... so what would affect this rate is when we finished the CAD project and we finished the CAD.

Korban Lee (00:04:45): Yeah. Right, right, right. But the new phone system and the prioritization of the 911 calls separating out from the non-emergency calls that really hasn't had any impact on the rate, the percentages of calls that are getting transferred to the other PSAPs or anything like that.

Scott Ruf (00:05:05): Correct. We only track the transfers of 911 calls.

Korban Lee (00:05:09): Okay.

Scott Ruf (00:05:09): Yeah.

Mark Reid (00:05:11): Just a note for Bluffdale on that, any call for police that comes to into VECC must be transferred to Utah Valley because that's where our police are dispatched.

Scott Ruf (00:05:25): Correct. But our actually transfer rate between us and Central, Utah is not that great. It spikes around fire season. The biggest ones are DPS or the highway patrol and Salt Lake City. Once we finish the CAD project, those are the two big numbers. So out of 18 or 1900 transfers a month, 16 or 1700 are between Salt Lake City and us and DPS and us. So we'll be well below that 2% threshold once we finish the CAD project and we're never going to get totally get rid of transfers because in my opinion, it's still the safest way to manage calls outside your jurisdiction since we are not familiar with their areas. And then the final piece is the abandoned rates. We should see this come down by 50 to 70%, just by a reconfiguring the phone system I've been arm wrestling with Motorola and UCA over this number.

Scott Ruf (00:06:26): Because and the reason I'm so sensitive to this number in relation to this report and the elected officials, particularly a Senator that's been watching these reports, is they all interpret it and abandon as nobody answered a 911 call for help and that's not true. We want to get this number down and it would really be a network issue where phones are hitting the system, but never make it through or they get dropped for some reason. It's not because we're not in entering the 911 calls in a reasonable amount of time. We've worked with UCA and Motorola all through yesterday and the weekend because we had some issues. So we should see a significant decrease in our abandoned rates to below that 11% threshold. And we adopted that standard based on a state average of about 11% statewide for all PSAP. So I just wanted to point that out in case we present this our answer times are improved, but somebody decides to focus on this bigger number for abandoned rates and correlates that with we're still not answering 911s that's just not the case.

Scott Ruf (00:07:36): So, but we should see an improvement in that number starting next month or at the end of this month and through November. And the only thing I wanted to share is somebody had asked the question the other day about achieving the 95% on a regular basis. And I wanted to just share something with you. And I think given the right conditions, we're going to be close but a challenge. And I don't know if you can see this, I can't, I tried to blow it up, but it didn't work. What we run into if you notice during the day here, we have really good answer times against the standard at a 100% percent and 10 seconds, 15 and 20 seconds or less, we dip a little bit here and there based on activity. But when you look here at like this 9 o'clock hour, and this was just the other day, we had 65 incoming 911 calls in that one hour period.

Scott Ruf (00:08:35): And you notice we dropped in our standard to about 80%, so I can dig down and call these anomalies out. So when you look at this day and that hour, 42 of the 65 911 calls came within a five-minute period. When we have a heavy day or a lot of activity or a few bad situations throughout the day, that's really going to throw our number a little bit. So I just wanted to put that out there to say, and this is where it becomes hard to say, "We need more people, we need more money." And that we can better answer or explain when we have these dips periodically or why we're getting so close to the standard we can't get over the hump. We can go back and break these numbers down. So I just wanted to share that with you that you only need one or two or three hours or three incidents in a day to affect your overall PSAP answer time and your efficiency.

Scott Ruf (00:09:32): So again, I just wanted to kind of give you a snapshot of what the report looks like that I get every morning throughout the 24 hour period. And then I can go dig in that 9 o'clock hour and say, "Hey, what happened at or during this hour that we spiked to 65 or 70 or 80 911 calls." So, with that, I just don't if there's any other questions, but I just wanted to share that little bit. So, as we get questions or the board gets questions, I can provide you the information. Now we can show it and say, "Listen, here's our day. We had a great day, but we had a major fire accident or snowstorm." And we just, the amount of incoming calls, no matter what we did, would've been a challenge for any center. So anyway, I just wanted to share that with everybody and kind of... because now we can get good clean numbers with the phone system and the stats. So, with that, I'll answer any comments or questions.

Dan Petersen (00:10:31): I think our challenge that we'll have to address is going to be the statute has adopted the 90 and 95%. And we adopted an 85 and 90 as a transition period, but Senator Harper and the state is going to expect us to hit the 90 and 95. So we will have to find a way to stay on that and watch for them to not tie more of the funding related to that target than what they already are.

Scott Ruf (00:11:02): And I, and just for clarification, they only adopted the 20 seconds and 95%.

Dan Petersen (00:11:07): Okay, good, good point.

Scott Ruf (00:11:08): Just for clarification. Yeah. I just-

Dan Petersen (00:11:10): But we'll have to be aware of it and find a way to work it out. And I'm very curious as all the other entities have adopted a new phone system that we may see some fluctuation in their times as well. I look forward to some sort of a report maybe back from the legislative auditor who did an audit of us and let us know now how do we compare to others now that that phone system's been in place for a while.

Scott Ruf (00:11:40): Yeah. And on that issue so I spoke to Jake Dinsdale from the state legislative auditor, his office. He was waiting for the full month of September, and he is waiting for the full month of October to get some numbers. He has advised me, he will provide me and chief and the chair and vice chair, and then the board with a draft of their follow-up audit. And he plans to present that I believe in either the November or December legislative committee meeting. And he hopes this will be the last time that they have to do this provided we show the consistency month over month and continue to do that. So, but that's his intent is what his next steps are.

Dan Petersen (00:12:23): Good. Good. I think that'll be interesting.

Doug Hill (00:12:26): Scott. I had a question back to the transfers. Maybe I didn't hear correctly, but I thought you said that Salt Lake City and Highway Patrol makes up a good majority of those transfer calls. Help me understand why we transfer so many calls to Salt Lake City if they're on Versaterm with us now and why that will be fixed when we are fully implemented.

Scott Ruf (00:12:56): So when we switched over fire rescue to Versaterm, and we were on Versaterm, I approached then Director Lisa Burnett at Salt Lake City and said, "Hey, listen, now that we're on Versaterm with fire/EMS, we're going to go ahead and do what we started to do and stop transferring calls to Salt Lake City." And I said, and my comment to them was, "But to avoid any confusion on Salt Lake City side, go ahead and continue to transfer the police calls to us here at VECC." Because I didn't think it was fair that they had to remember which agency was on Spillman and who was on Versaterm. And then Director Burnett did not allow that. She just said no. So, we just tabled it and then we figure at the end of this year, when we get everybody on Versaterm, we will then revert to the original commit and stop transferring any police or fire calls.

Doug Hill (00:14:01): All right. Thanks.

Dan Petersen (00:14:12): Anything on 4.1 Scott?

New Motorola VESTA NG911 Phone System

Scott Ruf (00:14:15): Oh, I just wanted to update, we did get the phone system configured properly. We all the parts finally came in about I think last, we week and the IT stands here work with Motorola, and we set up all the business lines. We were able to activate the auto attendant. We installed the larger monitors to be able to see all the different non-emergency administrative phone queues. We are starting to see a positive effect in the dispatch center with now all those systems functioning the way they're supposed to function or how we envision. I mean, there's still some massaging as people get used to the auto attendant and following different things around. And we're doing some follow-up with some of the agencies and stuff like that. So, we had a problem over the weekend. We've been engaged with UCA and Motorola to deal with some of the challenges of, we've had reports on of 911 calls never getting to VECC.

Scott Ruf (00:15:13): So they're troubleshooting those issues and they're supposed to full provide us some root cause analysis of what's going on in those rare cases, we had a couple of medicals, a fire that caused some distress with some of the callers for not being able to get into no one to answer 911. It's not that we didn't answer it, they never made it here. But other than that, the phone, we believe we have the phone system where it needs to be. And now we're in just the housekeeping mode of fine tuning some of the stuff related to the auto attendant and the impacts of some of the agencies. So, I think going forward, we'll be in a good space.

Dan Petersen (00:15:52): Great. Go ahead on into 5.0 and give us the CAD project update.

CAD PROJECT UPDATE

Scott Ruf(00:15:58): So like I stated earlier, we're still on track West Valley and South Salt Lake pending at some a change they're both slated to go on paper anyway, January 1st, that will complete. Now it could be a week window either way. I think there's some pause on both sides of whether or not it's a good idea to actually go on January 1st, but we'll try to accommodate whatever it is they want to do. So that should complete the CAD project for all the VECC agencies. We signed the, and you approved last meeting the MOU and the agreement. And I signed the change order with Versaterm for the University of Utah. And they will come on board the project sometime in first half of 2022.

Scott Ruf(00:16:45): And that should be that so pretty much everyone in the Valley, except for DPS, Granite School District and UTA with a law enforcement that I'm aware of that will currently be on Versaterm. But there's ongoing discussions periodically about what that might look like if they want to join. So, we're on track, we're on budget. If there's any comments or questions there Chief, I'm assuming you want me to just slide into 5.1.

Dan Petersen (00:17:11): Please.

Kyle Kershaw (00:17:12): Chief. This is Kyle. Can I ask a question?

Dan Petersen (00:17:16): Absolutely.

Kyle Kershaw (00:17:17): Thank you. Hey Scott, I'm just anecdotally, you hear things and things have come to my desk, is Salt Lake City experiencing any undue demand on their servers right now with each agency that switches over?

Scott Ruf (00:17:37): Not that I've been made aware. Because that's when we do that, we look at the size of the agencies and they make the adjustments and bandwidth accordingly, but the system was always designed to accommodate the entire county for police fire/EMS. So, if you're getting information maybe offline, you can have somebody share that with me and I can follow-up, but I have not been given any of that.

Kyle Kershaw (00:18:03): Yeah. And it's more of a function of Salt Lake City's infrastructure than maybe connectivity. So, but yeah, I'll follow up with you. Like I said, it was very informal and very anecdotal, so.

Scott Ruf (00:18:23): Okay. And I think Mr. Kershaw that kind of leans into 5.1. In the last month or two, you knew we had a significant system downtime with Versaterm of about 16 hours if you recall that conversation last month. It was both these incidents were somewhat self-inflicted with the server team its Salt Lake making some changes and it totally corrupted our BM environment. And then a week or two ago, we had another downtime of a couple of hours due to the city lost all their power to their data center. It was a bad relay or a bad transfer switch. But I also learned that their data center is not in their new public safety building. It resides in an older building that doesn't have some of the infrastructure. So those two incidents have led to this discussion in 5.1 on the agenda about a migration to the cloud and trying to mitigate some of these concerns, your agencies or your people are talking about as far as having all our eggs in one basket, having to provide connectivity through Salt Lake City, no redundancy, no high availability failover.

Scott Ruf (00:19:41): The first downtime about two months ago, brought it to the forefront. We began urgent discussions with the city and my team here at VECC, we engage Versaterm for a solution to move to the cloud, building all the managed services, the high availability, failover, the redundancy. I dropped a PowerPoint in the Board of Trustees folder on the Dropbox. I didn't know, so I was going to do this high level, but if you want me to bring that up, we can go through it now of some of the pros and cons, but we met yesterday morning with all of the tech user leads from all the agencies in the Valley about the migration to the cloud and what that would look like. They all agree. And I think you'll hear that in a little bit, when we get the Ops Boards updates as well of the need to begin the migration to the cloud for a number of reasons, one is security.

Scott Ruf(00:20:36): One is redundancy, high availability, failover, and it also relieves the stresses of having to manage all this on-premise equipment and servers and server farms and routers and switches. I mean, there's still going to be some of that to provide the connectivity to the cloud. But what Versaterm had proposed is multiple connections using the AWS, which is Amazon Web Services, the United States I GovCloud, which is Department of Justice CIJUS certified and secured with redundancy and failover pass. And then we have already existing redundancy and failover between us and Salt Lake City. And that would be the first step in moving to the cloud. Some of the additional conversations yesterday, there's still a desire for a lot of the agencies in cities, or at least two or three that are very strong on the issue of they want direct connectivity to the cloud, Verm isn't prepared to do that right now, but it is roadmap.

Scott Ruf (00:21:37): And we also, there's a lot of concerns there with security. Then cities are going to have to enter into their own contracts and that's a whole other discussion, but the consensus is to approach the board and get us to allow us to move, begin the process of moving to the cloud now. It's an eight- or 10-month process. So it's not an overnight switch. We would still maintain vulnerabilities as we go through this process, the budgetary on it for the onboarding and the migration is just under $300,000. That would be a shared cost under the existing Salt Lake Valley coalition, which is VECC and Salt Lake City. It currently sits at like a 35/65 or 66/33 split. And then there's an increase on an annual ongoing supporting maintenance to the cloud.

Scott Ruf (00:22:32): And it's about $450,000 a year to the entire Valley. Recognizing though that these are all managed services, we wouldn't have staff managing services. We wouldn't have separate contracts of managing infrastructure. So with that I don't want to get too technical, but I wanted to bring it forward. Because myself and Aaron Bentley, the Chief Information Officer for Salt Lake. We're looking on some direction of... if we're going to, we need to pull the trigger, if we're going to pull the trigger, is this something that gets folds into a capital expense? Is this something we plan out? I did speak to Versaterm about the project and understanding the urgency. And they've committed to me that because of our relationship, we can structure this and the length of the rollout to have zero impact until FY23, which would be the July 1st is the start of the FY23.

Scott Ruf (00:23:28): So there's a lot of flexibility in our options depending on the direction of the board and how we may or may not want to move this forward. So I know I did that pretty quickly. I'm intentionally trying to stay away from the technical side of it because I tend to get in trouble. But from the administrative side, a budgetary side, we have some known numbers. We have what it looks like, we have the timelines, we have buy-in from all the agencies and the tech users. So I'm going to leave at that. If there's any comments, questions about that, I'll try to do the best I can to answer those. I saw someone's hands raised. I'm sorry. Let see. I know Chief Carr, was that an accident or you wanted to speak on this issue?

Troy Carr (00:24:14): I'd like to, if the Chair would allow.

Scott Ruf (00:24:16): Chief Petersen?

Dan Petersen (00:24:17): Absolutely.

Troy Carr (00:24:18): And it's probably, I was going to do this during the report and perhaps Chief Maxfield can jump in here during the Police Ops Board, we voted unanimously to support this move.

Derek Maxfield (00:24:34): If you'll allow me Chief I'll jump in and say that it was the same with the Fire Ops Board. We voted unanimously.

Dan Petersen (00:24:52): Okay, well, we'll have to figure out how that moves forward and either bring that back to finance committee or come up with a game plan in a process that works for us. Clearly, it's an important issue for everybody. Any other items there?

Scott Ruf (00:25:14): Just clarification Chief, do you want me to put the proposal together and convene the finance committee? Is that, or I wasn't sure I was clear if you gave me direction or that was just a comment.

Dan Petersen (00:25:25): No, I'm very comfortable with you engaging the finance committee to figure out how we get there and then let the finance committee bring it back whether it comes back in the regular cycle or faster will depend on what we hear from the finance committee.

Scott Ruf (00:25:40): Okay. I understand

Dan Petersen (00:25:42): You comfortable with that Korban?

Korban Lee (00:25:45): Yeah. Yeah, that's fine. I had some finance questions, but I think the finance committee's a better place to discuss that. I see that... sorry Mr. Chair I see thar Kyle's hand is raised.

Scott Ruf (00:25:56): Oh, sorry. Mr. Kershaw.

Kyle Kershaw (00:25:59): Thanks. Hey Scott, I just want to clarify by going to the cloud, we wouldn't be subject to any of the problems that Salt Lake City has experienced over the last couple months, correct? Going directly to the cloud, there would have to be a failure of Amazon Web Services or some connectivity issue into it to experience a loss of capability, correct?

Scott Ruf (00:26:38): Correct. Now we still have local points of failure, right? Because we still have to manage the tunnels and the switches between us and the city. But in the proposal, we built in multiple failovers redundancies and tunnels between us and Salt Lake City and Salt Lake City in the cloud and VECC in the cloud. So it would have to failover probably four or five locally before we would lose the entire system. And we shouldn't lose things like power, the data, the power to the data center becomes irrelevant. That kind of stuff should be mitigated through the system design and the redundancies that are being built into this proposal.

Kyle Kershaw (00:27:22): Okay. Thank you.

Dan Petersen (00:27:27): Okay. With that, we'll make sure it's on the agenda for... if you can convene the finance between now and next meeting, that would be wonderful to address what that looks like for all of us as we sharpen our pencils. Move to item 6, capital projects, finance committee. I'll turn this over to Korban Lee.

CAPITAL PROJECTS – FINANCEL COMMITTEE UPDATE

Korban Lee (00:27:48): Thank you Chair. I want to introduce this topic and then turn the rest of the time over to Clint. In the packet, you should have seen a memo from Clint to the finance committee, just by way of quick review and kind of summary of where we've been. As you will recall at a previous trustees committee meeting, we talked about the need to upgrade the power and data capabilities in the dispatch room, the center proper in order to accommodate the UCAN radio upgrades, the Harris/L3 radio system. And at that time, essentially there was kind of a million-dollar option. A million dollars is the minimum amount needed for the power and data upgrades and a $7 million option, which was doing everything all the center upgrades, all the capital project needs around the center, including interior and exterior for the full site.

Korban Lee (00:28:52): We met as a finance committee twice in the last month on this issue. And at our first meeting felt like as a committee, look, the million-dollar option only is we understood it would get the minimum amount done, but we would have to come back in a short season later and redo that work. In other words, we'd do the million-dollar work, but then we'd have to spend that money a second time here in the next five to 10 years to upgrade the rest of the center, the consoles and everything else. We as a finance committee didn't like that option. We didn't want to spend the money to not have it last. Likewise, we didn't like the $7 million option where it was just kind of meeting all of the needs across the entire center. We felt like that's probably more than we want to consider biting off.

Korban Lee (00:29:52): So we asked Clint and Scott to come back to us and give us some options that were kind of more down the middle. One, what's an essentials only option, but we don't lose the money, we don't spend it and then not get lasting value out of that. In other words, what do we need to do to upgrade the dispatch floor, the dispatch center room in a way that the required electrical and data needs are preserved. And the center, the room, the dispatch room is upgraded as a whole, but it's just the dispatch room. And kind of just the essentials in the dispatch room. That's option number one in the memo, the $2.7 million option. Two, what is we asked for? All right, what if you were doing a little more, you don't get to do everything under the sun. That's needed the fencing, the exterior of the building, but what would be an efficient use of money?

Korban Lee (00:31:01): In other words, while we have contractors in painting, flooring, et cetera, beyond the dispatch floor, if you had them do other needs as well, but it was not everything. That's the $3.7 million option you see on the screen. And that was in the packet in the memo. As a finance committee, we reviewed these kind of scrutinized these two options. We asked Scott and Clint as much as possible to strip out things where the replacement costs or the replacement of the item wouldn't outlast any debt we might incur to take on these items. So as much as possible, we removed anything that wouldn't have long term value.

Korban Lee (00:31:57): So if we do finance these either option one or option two with debt, the life of the work will outlive the life of the debt. That's not perfectly accurate, but that's pretty close. Because there's a lot of things, "Hey, while you're redoing these consoles, you kind of need to get the monitors to fit with the console proper." So there are some things where that may not be accurate, but generally the capital project proposed here has facilities that would outlast the debt. So what we want to do, let me turn it over to Clint for more details is discuss among the trustees, A should we proceed? Should we proceed with option one or option two and then discuss some financing options. All right. Clint, anything you want to add or clarify? Do you want to walk us through these options a little bit more thoroughly?

Clint Jensen (00:32:54): You bet. Scott, do you want to add anything before I jump in?

Scott Ruf (00:33:02): No, I'm going to defer to Clint on the finances, but I just wanted to expand a little bit on what Mr. Lee said. There are three areas that you'll see on the screen that we understand might not have a 10- or 20-year life. And they're tied to the video displays, monitors and video displays for the fire rescue side of the room. And you'll see some chairs in there as well. Chairs for dispatch centers are not cheap. The chairs we look at, they do have a lifetime warranty up to 500 pounds. Those are the three things I think in the entire proposal that might not last traditionally your 10 or 20 years. So, I just wanted to call those few things out.

Scott Ruf (00:33:37): And then you could, I guess, debate on whether a carpet will last 10 or 20 years, but we have the original carpet here for 20 years. With that, I just wanted to make sure I expanded on that piece of it. There's nothing else in all these other categories outside of the technology and furniture piece that would fall into that shorter lifespan than running the debt for. That's what I wanted to make sure we had full transparency on as we walk through this. And then the rest of it, I'm going to keep myself out of trouble and let Clint go walk us through the finances and the options that we were asked to present here to the board.

Clint Jensen (00:34:15): All right. So a couple things just to note that happened, we had a discussion this morning with our facilities guy and looks like we're putting bubble gum in our roof. We're having some leakage up there. That wasn't part of either one of these options, just so you know. We also have, is it a fire alarm system, that's not even updateable, we can't even update it with new cards. It's something that we'll replace. We're continuing to patch work this stuff, but that's probably a discussion for another day. But just know that we're continuing to have some issues with the facilities. So, Scott, if you'll just roll down to the essentials option, number one. And so, the reason I've asked for a principal amount of 2.9 million, there are some closing costs that relate to financing. So just assume that we're going to roll those closing costs into the debt.

Clint Jensen (00:35:12): You see here, two approaches. One is without refunding the existing debt. So this is just bringing on new debt of 2.9 million, either for 10 years or 20 years at 3%. You see what the annual payment is on that one, 340,000 at 10 years, 195 at 20 years. The impact on each member's assessment would be either 3.6% at 10 years or 2.1% at 20. If we were to refund the existing debt, that means we would need a principle of amount of about 3.9 million. That then frees up the debt service of 290,000 that we currently budget for. That's in our budget for the next three additional budget cycles. Because that 290,000 is saved, that impact to the member assessment takes that into account. SO that's why that 457,000 annual payment only has a 1.8% impact to the member assessment and the same on the 20 years, actually a little bit of a savings.

Clint Jensen (00:36:31): So that's under the essentials plan, the 2.9 million. If we do the expansion, the expanded plan, kind of that same model working here where on the left-hand side, this is not refunding the existing debt, the right-hand side with a refunding. Seeing that those impacts anywhere from 0.4% for a refunding that debt to 4.8%, if we do not, depending on the terms. With that, Corbin, maybe just throw it back to you for additional conversation. That existing debt would be paid off in May of 2025, is that existing debt. Current principal amount is just a little over a million bucks. Interest rate on that's 2.95%.

Korban Lee (00:37:27): Thank you. Scott, can you scroll back up to the first page of the memo?

Clint Jensen (00:37:32): Also Corbin, just one more point. That interest rate of 3% is probably fairly conservative. I just wanted to make sure we were covering. I know that there's some debt out there that's less than that. So that would bring additional savings if that were the case.

Korban Lee (00:37:49): So, just a couple of additional clarifying comments. The work needs to be done as soon as possible in order to take advantage of the Harris L3 radio upgrade. We have to do at least the million dollars. If we don't want to lose the value of the million dollars, we have to do at least the 2.7 million dollars is what I understand. Scott, is that fair to say?

Scott Ruf (00:38:12): Yes.

Korban Lee (00:38:12): However, in all of these options, we don't have the million dollars or the 2.7 million to pay cash currently. So all of the options would require us to issue debt to do this capital project. But we can structure the debt to... The first debt service payments would be due in the next fiscal year. Not any payments due in the current fiscal year. So while there may be a need to amend the budget in the current fiscal year at a future trustees meeting, it would be to recognize the bond revenue and expense the bond revenue, but we wouldn't have to expense the debt service until the next fiscal year. I just want to make sure everyone understands that. Clint, is that accurate? Is that fair?

Clint Jensen (00:39:12): Yeah, that's correct. We'd amend the budget to show that those proceeds from bond coming in and then there'll be some expenditures relating to that. So yes, but nothing with debt servicing.

Korban Lee (00:39:25): So with that, I think as trustees we've got kind of a series of votes we need to take, a series of decisions we need to make. The first being, A, do you want to proceed or B, not. Then if we do want to proceed, do we want to proceed with option one, which is kind of the essentials only, or option two, which is a little more than the essentials to take advantage of some of the work while it's being done. I put it out there for the trustees that discussion first, before we talk about financing strategies and refunding current debt and rolling it in, let's see first if we want to proceed and if we want to proceed with option one or option two. What are your thoughts on proceeding and option one and option two?

Scott Ruf (00:40:31): If you don't mind, Korban, I'm going to stop sharing so people can see each other if that's okay.

Clint Jensen(00:40:34): Thank you.

Wayne Pyle (00:40:42): Hey, Korban or Chief. I was trying to raise my hand, but I couldn't find it. So I just decided to talk. I'm fairly open to discussion on a number of the options. Just wanted to make sure that we're all aware of all the other financial decisions we're making here at the same time. We've got this compensation plan, we've got the software, the cloud decision we were just talking about. Is there any way to summarize for us real quick? And that might be a big ask, but percentage wise from a member increase, what are we looking at on the compensation plan, potentially. Same thing with the cloud, same thing with anything else. And I know that's a hard number to come up with, but in my mind that really influences which option we take here.

Scott Ruf(00:41:37): Like 3% for every half a million or so.

Clint Jensen(00:41:41): Yeah. So for every... Well, let's go with every hundred thousand dollars of increase, you're talking about a 1% increase to the member assessment. Since there are no other revenue sources that we can tap into, the taxes are fairly fixed. And so all of that gets passed along to member assessments, which currently is about, just short of nine or 10 million dollars. So for every hundred thousand bucks, you're talking a 1%. So if you add up the versa term, you add up... Compensation wise, I'm only thinking that was a 1 or 2% increase based on the last rollout of that, that we just did. So add the versa term to that. You add this to it, depending on which option you select, could be anywhere from zero to four and a half, 5%.

Wayne Pyle (00:42:36): Okay. Thanks.

Korban Lee (00:42:43): And Clint or Scott, the Versaterm, sorry. Say the Versaterm percentage again. You think, is that a percent or two on the member assessment, or more?

Clint Jensen (00:42:56): So ongoing, you're saying 400,000 ish ongoing.

Scott Ruf (00:42:59): So the onboarding we would deck would be 200 of the 300,000 and then we'd have to break up the 450 similar. So about another three. So about another 4 or 500,000 one-time cost, and probably 350 ongoing for supporting maintenance.

Korban Lee (00:43:18): Okay. So 2 to 3% for the ver... Sorry, three plus percent for Versaterm, one to four and a half percent for this issue. And then compensation on top of that.

Scott Ruf (00:43:35): Yes.

Korban Lee (00:43:36): Okay.

Dan Petersen (00:43:39): I think Corbin another component to build on what Wayne indicated is that we do have other capital needs in the center that may total as much as 3 to 4 million. Is that...

Scott Ruf(00:43:53): Good number.

Dan Petersen (00:43:55): Probably maybe even 5 million.

Scott Ruf (00:43:58): Yes.

Dan Petersen (00:44:00): That are going to have to be done at some point in the future as well, but it could be phased in, in a couple of years.

Wayne Pyle (00:44:06): Okay. The other question I had, also to the options, is that contingency at 20%, as we all know, that can vary a lot from capital project to capital project. So how did we come up with the 20%? How comfortable are we or how conservative do we think we're being on that?

Scott Ruf(00:44:33): So I can tell you, so when the architects originally did their preliminary scope of work a year ago, they factored in, in different areas from GC to architectural to design, a 5%. And in one, I think a seven or 8%. We made an adjustment. They pretty much doubled that number. And then in talking to the finance committee, that was probably about a 30% all in, across all boards. And then we just backed that back to a straight across 20% contingency. And we felt in discussions that... And I briefly talked to the architects and the folks that built this building originally. And they felt that the options we presented, there aren't any surprises. One of the things they felt good about was, except for electrical, we're not dealing with a bunch of trades, right? The floor itself, the console furniture, that kind of stuff, those come with the vendor.

Scott Ruf (00:45:35): So we're not dealing with a lot of trades and a lot of different negotiations for labor and things like that, is the way they explained it. But that's how we came to that 20%. So we started at about 15 to 30 in the beginning, we landed about 30 making an adjustment. And then in our discussion with the finance committee, I think we just backed it back across to a flat 20% across the contingencies to come up with that number. Just because of the unknowns and the environment here and what's going on in the valley and the labor market.

Wayne Pyle (00:46:08): Okay, so thank you for that Scott. That is helpful. And then the other comment I make for the board's consideration is just that contingency, if we come in on the low end of that is almost the difference between option one and two. Comes in on the high end of that, I guess what I'm really saying is the high end of that, you really do have a million-dollar difference. Low end of that, it's not nearly as impactful.

Dan Petersen (00:46:42): I think I'll comment that the essentials plan, like Korban indicated gives us... A lot of work gets done that does not ever have to be torn up again to finish the work in the center, but it doesn't give us all the improvements that we're looking for in the center on the floor itself, which I think when he gets everything done in option two, we're going to see a better environment for our dispatchers to be more successful, meet some times better, achieve that better.

Dan Petersen(00:47:18): And being in a good spot. We don't get our roof fixed or the fence taken care of, or the alarm taken care of, but it does get us a lot farther. It's just whether or not... The part I'm struggling with is whether or not I want to enter in refinanced debt and then go out 20 years to be break even in our rate. We could do a 0.4% increase and get everything done, but now we're 20 years in debt. And that's something we'd have to be really comfortable. It is a good time for debt, but I think our core discussion is how much debt do we want to take on for how long, and do we want to give up the sun setting of the debt in 2025?

Wayne Pyle (00:48:13): So speaking to that point, Dan, I've got a lot of the same hesitancy, especially to put it out that far. But at the same time, the interest rate environment is such, we probably wouldn't be hurt. We're really only three years-ish or so from the end of that debt, anyway, which in terms of capitalizing debt is not very long and we have all these other needs that we're going to have to address as well.

Korban Lee (00:48:41): All right, you guys are jumping ahead to the debt discussion. Let's just talk about for now option one or option two. That's-

Wayne Pyle (00:48:49): well, I agree with-

Korban Lee (00:48:50): I'm afraid with like six or seven options between options and debt options and refunding options, we're going to have a hard time getting to a single point.

Wayne Pyle(00:48:59): Right, so I agree with that Korban, but the discussion for me is, I want to do option two, but I'm looking for ways to make this as least impactful as possible. That's why I'm bringing up the debt discussion now.

Korban Lee (00:49:17): All right. Let me, just to kind of make sure we're moving this along. Let me make a motion, or for point of discussion. Is there anyone that's opposed to moving this forward? Either option one or option two? Is there anyone that doesn't want to do anything? Okay. All right. So we're all, at least the majority of the trustees are comfortable doing either option one or option two. That's what I'm taking from the silence. Is that fair to say? Does anyone else have strong preferences on option one versus option two? And you can get into the financing. I'm just giving Wayne a hard time, but...

Doug Hill (00:50:09): So from my perspective, Korban, and maybe it's in this memo and I just haven't studied the memo close enough. I know that we talk about what the impact is to member assessments and percentages. Can that be broken down, even deeper into what the actual cost would be? Recognizing that we're just projecting numbers right now, but could we see what that impact dollar-wise would be to us next fiscal year?

Korban Lee (00:50:49): Clint, can you-

Clint Jensen (00:50:50): Yeah, we don't have anything off the cuff, but let's just say you have your assessment's $500,000, and we have a 3% increase. You're talking $15,000 on your half million. So if you just know what that number is, you can kind of do the math, what that assessment would change.

Korban Lee (00:51:15): Clint, can you show quickly on the screen, our current assessments in the current budget?

Korban Lee (00:51:36): Other thoughts about option one versus option two.

Tim Tingey(00:51:41): Yeah. Chief may, may I speak on this?

Dan Petersen (00:51:46): Yes.

Tim Tingey (00:51:47): So on the... I don't know. I have to combine the financing with the option one and two. I would like to see us do option two, just because of what Wayne said with, the rates are favorable right now. In three years, we'll be ending our bonds. So I think refinancing makes some sense. If we went with option two, from what I'm seeing, the annual payment would be 329,000. And if you went out 20 years and the impact would be 0.4%, I think I could probably live with that. Recognizing that the bonds would be, we'd be paying those off in three years anyway, and just issuing the debt at this point. So that's kind of where I'm at right now, but I agree with Doug, I'm concerned about the impacts of all these increases on what those percentages would be and what the actual dollar amounts will be that we're going to have to consider and take back to our elected officials next year. That's what's really concerning me as well. So I'd like to see those numbers before we finalize the thumbs up or thumbs down on this.

Dan Petersen(00:53:06): Korban, for me, I'll share that I like option two as well. And because of the way rates are, because of the way it sits, and to minimize the impact of this particular project on our budget, allowing for space to address those other issues like the cloud and the compensation later, it's such a good time for rates that I'm going to support option two, 20 years, 329, 5 payment with a 0.4% increase as the best option to give us headroom, to deal with the other issues at a minimal impact, like Tim talked about to our immediate problems of budget.

Korban Lee (00:54:01): I got a motion for option two. Chief, do you want to do the whole thing or do you want to split that up into two motions? One motion for option two and a next for the financing approach.

Dan Petersen (00:54:13): I'd rather let a little more thought go unless you are trying to push it through done now.

Korban Lee (00:54:18): No, I'm trying to pull up the assessment numbers in the budget.

Scott Ruf (00:54:22): I have it.

Korban Lee (00:54:22): So you can see some numbers.

Scott Ruf (00:55:11): Try this again. All right. So here is the...

Clint Jensen(00:55:21): It's current, your budget right there.

Scott Ruf (00:55:26): Yep. I'm just trying to see which column we're looking at here.

Clint Jensen (00:55:28): The dark blue

Scott Ruf(00:55:29): The dark blue. Yeah. Okay. The dark blue on the right is each of the agencies' assessment for this year. So this column here, this dark blue column.

Doug Hill (00:55:53): So question I have is, I was not prepared to make a vote on this, by the way it was agenda'd. And I haven't covered my basis with the people that need to know in Murray city. How critical is it that we have to actually give that direction right away? I recognize interest rates or changing, but is this something that we can actually agenda for a vote at the next meeting?

Scott Ruf (00:56:27): I think what we were looking for, at least on our side, sir, was some direction from the board so we could package it and tighten it all up and bring it back at the next board meeting. Unless Mr. Chief Peterson or, Mr. Lee, as the financier, had another plan, but I think-

Doug Hill (00:56:43): Yeah.

Scott Ruf (00:56:43): We're just looking for direction on, okay. Let's go down this road now, tighten it up. What is it going to look like?

Korban Lee (00:56:49): Yeah, I think that's fair to say. Doug, we weren't trying to push for a formal resolution or anything, but enough of direction from the trustees so that we know how to prepare something formal for the formal resolution.

Clint Jensen(00:57:05): Korban. If, if I might just chime in there, there will be a formal resolution that the board has to adopt to issue debt. And what we're hoping for is that if we get direction today to move in one of these directions, that in the November meeting, we would have that formal resolution indicating our intent to issue debt. And then there's a public hearing process. And so it takes some time. That's the challenge, depending on which direction we take this, it's a three-to-six-month timeline before you see cash show up, depending on which way we go with it.

Doug Hill(00:57:43): Yeah. So recognizing that, how much work is it? It doesn't seem like it's a whole lot of work to run a couple of scenarios on the debt, giving us some figures on different options of length of years and amounts. It seems like that's just a fairly simple spreadsheet calculation.

Korban Lee (00:58:14): Doug, are you looking for more scenarios than what are in the packet?

Doug Hill (00:58:18): No. No. I guess I'm just looking for more detail than what I... And I'm going to be honest. I didn't read that memo with the, I was looking for more discussion today about it without really looking at the details of what the impact is going to be to the city financially.

Korban Lee (00:58:39): Okay. Well maybe, maybe Clint, you could do a quick run, particularly with Murray, to give Doug the numbers of what a 0.4% increase is compared to maybe a 4.8, the least and most impactful of option two.

Doug Hill (00:59:04): Well, if that's all it is, is just running the percentages, then I can do that. I know what our assessment is and I can calculate those percentages.

Dan Petersen (00:59:18): I think that's partly what leans me towards refunding the debt and option two, 20 year, is a dominimous impact to the budget today and, leaves room for conversation through the normal budget process for all the other issues that we're facing. And it doesn't come into play until the first of the year anyway, right? The debt just doesn't change anything until we hit next fiscal year.

Clint Jensen (00:59:46): That's correct.

Scott Ruf(00:59:47): I think Mr. Pyle has his hand up.

Doug Hill (00:59:51): Yeah, I'm okay. I'll just dig into the memo and recognize that there's opportunities for me to make comments later.

Clint Jensen(00:59:59): Yeah. And I think that's with that resolution, usually what happens is you do a not to exceed amount. Then once you get that rolling, get the public hearing, we can refine numbers. We can do whatever needs to be done. But I think this just gives us direction. Which path do we want to go down? Then we can refine interest rates. We can define principal amounts. We know the closing costs. We can really start to burrow in on some of these numbers a lot sharper.

Doug Hill(01:00:32): So I'm in favor of doing it right the first time.

Scott Ruf (01:00:37): Chief Peterson, we have Mr. Pyle. And Mr. Kershaw. If you're okay, I can stop sharing the screen and...

Dan Petersen (01:00:44): Yeah. I'm okay. And I'm still looking to Korban to process this to...

Korban Lee (01:00:51): Yeah. Kyle, we haven't heard from you. Why don't you chime in?

Kyle Kershaw (01:00:54): Just my question is that, Clint, there was some uncertainty if the existing bonds had a call provision. Has that been confirmed that they do?

Clint Jensen (01:01:09): Yeah, we've looked at that. Looks like they are eligible to be called and can be refunded.

Kyle Kershaw (01:01:16): Okay. Thanks. Thanks. And I agree with the general consensus on the option two. Whether you pay for it now, you're going to be paying for it later. Some of these items that would be omitted by going to option one. I mean, they're going to have to be acquired in a very short time. So I agree with the general sentiment on this issue.

Korban Lee (01:01:51): Wayne, you have your hand up. Do you have more comments or is that from prior?

Wayne Pyle (01:01:56): No, I have more comment. I just finally found where the hand icon was. So I'll be quick. I've run my numbers. It's really pretty easy for me. And I'm more than happy to get more time and take a vote at the next meeting. But just so the rest of the board is thinking about it or at least knows how some of us are thinking about it, for me, just this. If we do a 10-year option two without refunding it, that's a hundred thousand dollar hit to me. And I'm not willing to do that with everything else we've got going, too. I am willing to do the other version of that, which is a 20 years and refunding the debt. Now you're only talking 10,000 ish. Obviously, those are approximate numbers. So just for sort of outlining the situation, that's it Korban.

Korban Lee (01:02:54): How about anyone who was on the finance committee. Jake or let see Kyle, I know you were there. Scott, we have Scott Harrington. I haven't heard from you. You guys want to share anything else?

Any other further comments, thoughts, discussions that we've had in our meeting or chime in on these options?

Jake Petersen (01:03:13): Yeah, this is Jake. I wasn't able to make it to the second meeting, but from the first meeting, I thought it was really helpful to ensure that we were only going to be using financing for things that we would be paying where while the financing is in place. And it was a really important step. I know it was mentioned earlier, but I thought we've been pretty careful about that. So I think both of these options are good ones. I lean heavily towards the second option and the 20 years. It's hard to push it out 20. I'd like to do the 10, but again, I feel very akin to the comments that already have been made. We are in a pinch right now where we need to really consider the other challenges that we're dealing with. And this feels like the right balance, the way that we're discussing it. So...

Tim Tingey (01:04:07): Korban, may I just ask a question real quick?

Korban Lee (01:04:10): Sure.

Tim Tingey (01:04:11): So the last time we talked about this, something was mentioned by someone that we look into any state or grant funds for this. My council asks that quite often, and I can't believe I'm asking this right now, but have we looked into that as well, that there could be any of that that could offset some of these improvements?

Scott Ruf(01:04:33): I'm still doing some of the research. Under the interlocal, the way we were formed, we never qualified for some of the Harper funds, and I think those funds closed anyway. But we're looking for some grants on some efficiencies with the Rocky Mountain Power and some other things. That might be out there, since it's a renovation, it's a little difficult, because we're looking to just upgrade or replace what we have. It's not a true rebuild or a new project. But yeah, we're still looking at everything that might be out there. And I've talked to Mr. Spatafore, our lobbyist, and asked him to feel around. He felt similarly that it would be a challenge to even go to the legislature to ask for any sort of a... I forget the word I'm looking for, but appropriation. Yeah. Was it.

Clint Jensen (01:05:27): Good ask, Tim, thank you. Scott Harrington. Did you want to comment, do you want to say anything from the finance committee meetings?

Clint Jensen(01:05:46): Does anyone feel... I'm hearing a lot of comments in favor of option two, as opposed to option one. A lot of comments in favor of refunding the existing debt and rolling it into the new debt.

Korban Lee (01:06:02): Enrolling it into the new debt and a lot of options in favor of doing the 20 year financing or considering more closely the 20 year financing, as opposed to the 10 year financing. Does anyone want to speak up to something different then that approach?

Mark Reid(01:06:20): Can I ask a quick question? What is the payment on the existing debt per year?

Clint Jensen (01:06:28): That's $290,000 a year, principal interest.

Mark Reid (01:06:34): Yes. My thought would be that I'd definitely like option two. I'd like to borrow as much as we can to do as much as we can, but I'm not in favor of ever borrowing long term to payoff short term projects. As I appreciate the fact that we've pulled out all of the short-term projects and just are bonding for the amount that we need that would last the same length of the bond. My thought is that in three years we could devote the $200,000 a year towards these extra capital projects that we have to do. I do appreciate the fact that we are in a low finance cost year, so I can understand that argument too. That's my thought.

Korban Lee (01:07:36): Thank you, Mark. Anyone else want to speak up on this issue?

Scott Harrington (01:07:43): Yeah. This is Scott Harrington. Yeah, initially when I came into this, I was kind of wanting to do it for as short term as possible, but really the refunding of the current debt is really kind of what's giving us a lot of the savings here and taking it out 20 years is definitely a very appealable where it's a 0.4% versus a 2.8% increase to most of our budgets. So, I'm in favor of option two with the refunding of the additional debt.

Korban Lee (01:08:23): Thank you, Scott.

Gary Whatcott (01:08:25): Korban, that's where I'm at too. Just so you know.

Korban Lee (01:08:30): Nathan, Lisa, David, I haven't heard from you.

Nathan Cherpeski (01:08:36): Philosophically I agree with Mark on, I hate to refinance debt that's only three years out from being paid off, but I also lean to the option two in refunding just because we took 115% increases last time around. And I know council's not real excited about adding on to everything else. I would support the option two with the refinancing.

Lisa Hartman (01:09:03): I would support option two in the refinancing as well. I think the only thing I would bring up that I agree with everything that everybody already discussed, my only concern would be the remodeling. Would that effect the call times and the floor in terms of, can we schedule it to where it's not affecting their call times? Is that going to weigh into it? Is that something we should be worried about in agreeing to do it?

Scott Ruf (01:09:31): Deputy Mayor, I've done full gut renovations. So, yes. It won't affect the times, but we would have a strong logistics plan and it was originally done with the architects as a three to a five-phase plan. So we could partition off the floor. I had preliminary discussions of maybe moving, say, fire rescue dispatch out to another location because we're all in the same system. So logistically we'll button all that up and it should not impact our performance. It might require a little flexibility in how we deploy some of our resources during that time but before we commit to removing one piece of carpet or screw we'll have that all finalized. And I would even bring that back to the Board of Trustees and the two Ops Boards, so it was full transparency on what those plans were and any potential impacts moving forward.

Lisa Hartman (01:10:29): Sounds good. Thank you.

Doug Hill (01:10:33): What if an entity, in this case Murray, just wants to pay cash? Is there any path that would allow Murray city just to make cash payment and not be assessed for future bond costs?

David Brickey (01:10:50): Because Murray's the only place that can pay cash.

Doug Hill (01:10:54): Well, it's not that we can afford it, it's just that we've got a ton of ARPA money you that I assume we've all got, that makes a lot of cash available to us.

Clint Jensen (01:11:11): That's maybe something we can discuss with our bond professionals to see how they might roll that in. I know that other entities have done that so you're part of the Central Valley Water and I know that entities didn't pay as you go and bondage. So there might be opportunities there.

Doug Hill (01:11:36): I would like that explored.

Dan Petersen (01:11:39): For some clarity Doug, are you offering to pay the full cost for everybody then? Is that... If so, I fully support that option.

Doug Hill (01:11:48): We are and 5.6 million dollars of ARPA money that we're sitting there trying to figure out how to spend, but anyway.

Dan Petersen (01:11:56): Well that lines up well. That's it.

Doug Hill (01:12:01): No, if that's a possibility, I'm not saying we would do that, but-

Clint Jensen (01:12:10): We'll ask that question.

Doug Hill (01:12:11): It might be worth it for us to know what that amount would be.

Nathan Cherpeski (01:12:15): So might I ask for this? When they bring it back, maybe they can show us what share each of our communities have based on whatever our metric is here. Then that could be a discussion. If your council wants to just cash fund your portion, then the debt would be a little bit less, but you wouldn't have to make the payment. The rest of us would make it.

Doug Hill (01:12:37): Right.

Korban Lee (01:12:38): That would take... That would maybe... It would complicate our annual assessments. You'd have to start splitting up the assessments, even further, an assessment for police, an assessment for fire, an assessment on debt.

Nathan Cherpeski (01:12:52): Correct. You'd have to have a special assessment to cover.

Korban Lee (01:12:54): Things like that. Yeah.

Mark Reid (01:12:55): Then we just borrow from Murray.

Korban Lee (01:13:06): All right. Any other thoughts? I'll tell you my... I don't like financing this over 20 years and I hate refunding that debt that we're about to pay off. I was really looking forward to that headroom we would get when we would lose that 290,000 in debt service. One of my big concerns is in the back budget we don't have a facility maintenance line item. So things like replacing carpet, painting, roof repairs, we don't have an ongoing line item that allows Clint and Scott to take care of those needs as they occur. I was hoping we could capture some of that headroom from the debt that falls off and create just an ongoing line item for the maintenance of the facility itself. Now going with option two, we'll take care of a lot of those maintenance needs. But Scott mentioned today, things like the roof. The roof isn't even in option two if I'm correct. We still don't have a great tool for taking care of some of those type types of issues.

Korban Lee (01:14:25): Doing option two and extending it 20 years and refunding the debt, I like that in terms of minimal impact to the budget. But I think in future budgets, at some point, we'll need to figure out a way to create an ongoing capital maintenance line item for the center. So we don't get into a capital maintenance backlog and have to finance our way out of it again. Anyways, that's my two cents. It feels pretty strongly like the general consensus is option two, 20 years, including the debt refinance. And I'll support that as well.

Dan Petersen (01:15:08): Korban I'll even add to your comment is that if looking for that money to come back, but it wouldn't come back to us for... until 2025, four years. Where we could bring this in, fold it in, be close to break even, and begin funding some money towards what you're describing this next fiscal year. If we did any of the other options, we probably wouldn't have the ability to start that funding. Then we start doing projects like the roof with cash. And the carpet with cash each year paste in over the next several years and start a line item that grows to fund all those issues. That's what leans me towards... this is a good way to get a bolus, because we can't wait for four years for some of these issues for that note to roll off.

Korban Lee (01:16:04): Yep. And it is a good, it's definitely a good, it's a good environment to go into debt. Currently, if we're going to go into debt, these are favorable interest rates and option two lets us take care of the majority of the needs in the center. Certainly not all of them but takes care of quite a few of them and it captures some efficiencies in the trades. Right? If we're going to have guys painting the dispatch floor, let's have them paint the other parts of the center at the same time. We're not paying twice for set up and take down. Those kinds of things. Okay. Does anyone... let's see. Do we want to ask Clint to explore with bond council and an FA option two, 20 years, refinancing our existing debt with a principal amount of 3.9 million? And Doug, what other information do you want to have brought back?

Doug Hill(01:17:16): Well, I'd just like to know if it's possible to make a cash payment. What that amount might be.

Korban Lee (01:17:25): Okay.

Clint Jensen (01:17:25): Yeah. So I have that noted. Korban just for a point of note that 4.9 million on the principle to include the refunding.

Korban Lee (01:17:35): All right, correct. Thank you.

Dan Petersen (01:17:41): Okay. Do we need anything more than that? It's going to come back to us for an agenda item. Are we comfortable that's enough to give information to Scott and Clint to move forward? Korban, are you comfortable with that?

Korban Lee (01:17:58): Yeah, I'm comfortable. Scott, Clint, do you want a formal vote or motion or anything? We don't have a resolution or anything formal in front of us, but do you feel like you've got enough consensus from us as trustees?

Scott Ruf (01:18:13): I would defer to the chair and it's just administrative direction, right? We're not doing anything other than fact finding for you I think. So I think we're good.

Dan Petersen (01:18:22): I support that. We're not making a final decision.

Korban Lee (01:18:24): Correct.

Dan Petersen (01:18:25): We're going to give us a chance to talk and look again and explore, but we've narrowed the field some for him to focus on. Great. Thank you. Great job on the finance committee in bringing something that we can get a snapshot at and make a decision and move us forward. Good job, Korban. Item seven is on surplus property, either Clint or Scott. Can you just give an overview, introduce this resolution for us?

CONSIDERATION OF RESOLUTION T21-07 APPROVING VECC SURPLUS PROPERTY

Scott Ruf (01:18:59): Sure. Periodically we go through our various closets and storage and outdated equipment and things like that so we're presenting forward a... if I can find it to show you. I don't know what I did with it. Anyway, I can't bring it up on the screen. I apologize. I'm looking for it, but it's a surplus inventory of some old, outdated TVs, some old marker boards, whiteboards that were replaced with the smart boards when we used the COVID funds to allow for remote meetings and things like that. Some old computer towers, some old phone equipment, and things like that. The inventory surplus list is in the packet that was provided to the board. A lot of old chairs and stuff from the old training room thing when we updated it, as far as that COVID release. I apologize, I'm trying to find-

Clint Jensen (01:20:14): Korban has it.

Scott Ruf (01:20:15): Oh, has it? Okay. Korban, you want to throw it up? I don't know what I did with it.

Korban Lee (01:20:28): Can you see that?

Clint Jensen (01:20:30): Yes.

Korban Lee (01:20:30): Do you want me to scroll down at all?

Scott Ruf (01:20:52): So Chief, I don't know if you need me to expand at all on that, but this is all either un-working equipment, or broken, or there's no value or use for it.

Dan Petersen (01:21:11): Okay. I don't have any more. I would entertain a consideration of resolution T21-07 unless there's any further questions. Anyone want a motion to approve Resolution T21-07?

Motion –

. . . By Mr. Tim Tingey, to approve Resolution T21-07; the motion was seconded by Mr. Doug Hill; the motion carried unanimously by roll call vote.

Dan Petersen (01:23:15): Okay. Very good. Thank you. Move to agenda item eight, Operations Board. We'll start with Chief Maxfield on the fire operations.

OPERATIONS BOARDS

Derek Maxfield (01:23:22): Thanks, Chief. Most of what we talked about has already been discussed in this meeting. Only a couple of things that we talked about that I would add. One of them we just briefly talked about structure, fire call type reviews, as it pertained to battalion chiefs responding, and whether it was agency specific battalion chiefs first, and just made sure we were all on the same page with that. It sounds like we were, and there's no need to change anything. And then also in the user's report, we did review ride along policy from Beck and alert tones policy. Looks like there was some updating that took place on that and a little bit of housekeeping. We all voted and were in favor of adopting those policies for VECC. And then we also just discussed a couple of apps that could be used, third party apps that might be helpful in mapping and some things like that location, and just kind of briefly discuss those, but didn't make any motion to move forward on the as necessarily yet. And that really that's about it, that hasn't already been covered.

Dan Petersen (01:24:37): Great. Thanks Chief. For the next chief, Carr for the Police OPS.

Troy Carr (01:24:44): Thank you, Mr. Chair. We talked as well about three policies. One is useful alert tones, agency ride along, and then our third was off duty officer weapon discharge. All three of those items were tabled for more review amongst the chiefs. We followed that up with the Ops rewrite, and we're going to be pushing that out to the Ops support here soon. Other than that, everything else has been covered, sir.

Dan Petersen (01:25:10): Thank you very much.

Troy Carr (01:25:11): You bet.

OPERATIONS BOARDS BYLAWS FOLLOW-UP

Dan Petersen (01:25:12): Agenda item nine is just the operations boards bylaws follow up. We did meet, we drafted up a first run that we were comfortable with as a group. We're giving the Ops boards, both Ops boards, a chance to review and comment for both Chief Maxfield and Chief Carr. It would be great if we had the feedback in time to put on the agenda for the November board meeting, but like we talked, it's the quality of the review. I doubt there's going to be much change. And then in November we can consider the bylaws change, if they've got their reviews done by then. Next item is item 10, director's report. I'll turn that back over to you, Scott.

DIRECTOR'S REPORT

Scott Ruf (01:26:00): Okay, Chief. Thanks. So like I said, we've covered a bulk of this stuff regarding the CAD project phone system, a quick update on the recruiter retention. I'm still working on some numbers, but I can say since September 1st we've hired seven, retained six, we've had... We've lost two, one newer person for personal reasons. And two people that have at least a few years here at VECC. One for personal reasons, one for a life change, we have eight new hire call takers slated to start of Monday, November 8th. So we're really starting to get a good mix of people are finally starting to show up for their testing and their interviews. And we're getting a good bunch of people to get some decent classes started.

Scott Ruf (01:26:54): And we also think it helped with not only the compensation package that the board approved in July, but we also added that new entry level kind of administrative call taker position on the floor to mitigate a lot of the concerns with the non-emergency animal control, things like that, but also give them some exposure to what it is we truly do every day. And allow them to slowly migrate into the role of 911 in dispatching.

Scott Ruf (01:27:22): It's also allowed us to start cross training our nine one call takers on police and fire channels. So I think we're in a good place. If our numbers hold true, we should continue to maintain and add on and be at full staff fairly shortly. So, but in the coming meetings, I'll have a more of a graphic and a idea where we are as far as year over or month over month comparisons with all the changes. But I think we're, I think we finally got over that hump where people are actually being responsive and showing up when they say they're going to show up and committing to what they have committed to do for us.

Dan Petersen (01:28:01): Great. Thank you very much. I don't see any questions. Item 11, finance director's report. Go ahead, Clint.

FINANCE DIRECTOR'S REPORT

Clint Jensen (01:28:20): We get the finance report up. Just want to report on a couple of things here when we get it-

Scott Ruf (01:28:26): There it is.

Clint Jensen (01:28:27): All right. So, we'll look at the revenues. You'll see that the franchise taxes are starting to come in again, that's a two-month lag. So in September we actually collect July. So that's the first month of that. If you scroll down a little bit on the UCA lease, that was just billed this month. So you'll start to see that number pop up a little bit. And then, maybe we're a little optimistic on our interest income and miscellaneous income. Those aren't coming in as strong as we would've hoped, but it is what it is on those. Not much we can do to change the interest rate. If we look at personnel expenses, it's about where we would expect them to be.

Clint Jensen (01:29:13): If you look at full-time wages, they're coming in, maybe a little soft from on the budget. We're 25% of the year in about 21% on full-time wages. You'll see overtime, however, running a little higher than what we'd expect, but hopefully with all these new hires and we will maybe soften the overtime impact and start to see those numbers start to level out a little bit. Good news is overall the personnel expenses were well within the budget. And then on the admin and operations, I think we've talked about the three-line items that are a little running hotter than we might expect with software insurance and telephone. And I'd certainly be willing to answer any questions on any of those.

Clint Jensen (01:30:06): The next page cash summary. So you can see where we're sitting with cash in the bank, if you'll scroll down, Scott, just a little bit more of the balance is about 1.7 as of the end of September. So we're going to be really tight getting towards the end of this year. So hopefully as we start billing you guys again, late November, December, that'll take care of us for the rest of this fiscal year once we do those billings. So any questions on cash? The next page two pages is a checkbook showing the ins and outs in our checking account. Any questions on the financial report?

Clint Jensen (01:30:52): The next item is a memo summarizing our discussions with our broker on our health insurance. The summary is this that we started at 16% increase with select help. The broker did his work and got us to 8.9 without any changes to benefits the trend on that 6.2%. So we don't feel too bad about that. And that continues to be shared 85% back 15% employee on the dental insurance. There is a 4% increase on that. Just a reminder too, last year there were no increases on these amounts. We did enhance benefits and tweaks and things a little bit last year, but for the most part, all of our changes in premium last year were pretty much 0%. So certainly willing to answer any questions on that discussion.

Clint Jensen (01:31:54): There's a whole, several pages that summarize the benefits. We have made efforts to move more people to the high deductible health plan. We have a value plan. We have 81 of our 118 or 116 employees that are on the plan that are currently on that high deductible health plan. So I think that helps to soften the blow on those premiums. If we can get more people to those high deductible plans. Any questions on the insurance? The final item that I have is the presentation of the annual audit for fiscal year ending June of 2021. This year, we hired the firm of Keddington and Christensen to help with the audit. This was their first year also my first year to complete an audit to top to bottom. And Marcus Arbuckle is here with Keddington and Christensen and I would maybe invite in to take us through a 30,000-foot view of the audit and then certainly respond to any questions you might have.

PRESENTATION OF VECC ANNUAL AUDIT FOR FY2021

Marcus Arbuckle (01:33:10): All right, well, thanks Clint. So first off, I'd like to thank the board for the opportunity to audit Salt Lake VECC, as part of an audit we're required to report several items to governance. As governance, part of your responsibility is to oversee the financial reporting process where management is responsible for the financial statements and an audit does not relieve governance or management of those responsibilities. So as auditors we plan and perform an audit in accordance with generally accepted auditing standards and government auditing standards, and then we issue an opinion on the financial statements. And on page one of the financial statements is where the opinion is. We've issued a clean opinion. That opinion is on the basic financial section, which includes the financials and the footnotes. And then we provide limited assurance on the MD&A section. Another important part... Oh, there's page one, right there.

Marcus Arbuckle (01:34:17): But another important part of the audit is where we review the internal controls that are directly related to the financial reporting process. And in the other report, the supplemental report, we have a report on internal controls. It's important to note that we do not issue an opinion on the internal controls for this type of audit. But we do review the internal control controls that are directly related to the financial reporting process. The controls that we looked at are the financial close process, the cash receipting process, and the cash disbursement process, and then the payroll process. So, we review those and make recommendations as needed. For this audit, we felt that the separation of duties and internal controls and mitigating controls in place were acceptable. So, we did not have any recommendations on the internal controls. The third report that we issue is a report on state compliance for every government entity in the state of Utah, the state auditor's office requires us to look at several items of compliance.

Marcus Arbuckle (01:35:38): The areas that we looked at this year were budgetary compliance, fund balance, cash management, restricted taxes, and then we looked at the fraud risk assessment. And we do not have any findings related to those areas of state compliance. We felt the entity was in compliance... Was in materially in compliance with those areas. But are there any questions on the opinion or any of those reports?

Korban Lee (01:36:15): Sorry, I have, I have one question in the MD&A analysis or the MDA, it talks about the liability for the outstanding liability for pensions dropping dramatically from like 2.3 million last year to 328,000 this year. Can you speak to that? Or Scott or Clint? Can you speak to that for a sec?

Clint Jensen (01:36:50): So I believe Marcus, that's coming from Utah retirement systems and that's the numbers that they give us. So, we just don't have a whole lot of control over that with their actuarial assumptions and everything that they're doing in calculating. So, we rely upon them to issue that report.

Korban Lee (01:37:08): All right. That's not necessarily from some long tenure tier one employees retiring or anything like that, because all that's in URS anyways?

Clint Jensen (01:37:18): That is correct.

Marcus Arbuckle (01:37:19): Right. And yeah, like Clint said, it's a report that URS provides and there their auditors audit that. And so, we actually just have to take what they give us and put that Beck's financial statements. So, it's not going to change what's contributed every pay period.

Korban Lee (01:37:44): Right, right, right. Yeah. No, I'm not complaining. I was just curious.

Marcus Arbuckle (01:37:48): Yeah. No. Okay. And we did not have any difficulties, significant difficulties performing the audit. There's no uncorrected misstatements. We are happy to report. We don't... We didn't find any instances of fraud or aren't aware of any abuse of any kind in going through this audit. But I'd like to think Clint and his staff. I mean, they're well prepared. They reconciled accounts, they have great backup for what they're doing, and we really appreciate that as auditors. So, thank you.

Clint Jensen (01:38:35): So Chief I'll just make a comment. If those of you have read the financial report clear to the very end in the notes, it talks about a prior period adjustment. That's not something that we usually get excited about, but that had to do with some recording of money coming from UCA over the last three or four years that got coded to an account called due to other government. For whatever reason, it was assumed this was money that-

Clint Jensen (01:39:03): For whatever reason it was assumed this was money that was due to Salt Lake City. There is no such thing. Why it got coded to that, we don't know. But Marcus worked with the previous auditing firm and decided it was appropriate to take that $2 million liability off of our books.

Marcus Arbuckle (01:39:22): Right. And I mean, the plan with that, in talking to the prior auditors, is, once the project was complete, they were going to reduce the asset by that liability amount. And so, they were aware that there wasn't ever going to be a payout to Salt Lake City, but in going through the agreements it seems like that asset is Salt Lake VECC, that part of it's not going to go to Salt Lake City. So, the full asset should be on your books and there is no liability to Salt Lake. And so, we proposed that prior period to take that off the books.

Dan Petersen (01:40:16): Okay. Thank you very much. Going to item 11-3 is consideration to accept the audit. Does anybody want to make a motion to accept this report?

CONSIDERATION TO ACCEPT VECC'S FY2021 BASIC FINANCIAL STATEMENTS AUDIT REPORT

Motion –

. . . by Mr. Gary Whatcott, to approve the audit report; the motion was seconded by Mr. Scott Harrington; the motion carried unanimously by roll call vote.

CLOSED SESSION

Dan Petersen (01:41:54): Item 12. We do have a closed session. We'll try to make it as brief as we can, but I'll need a motion related to items A or B as shown in the agenda.

Korban Lee (01:42:14): I'll make a motion to go into closed session for the discussion of the character professional competence or physical or mental health of an end individual and for a strategy session to discuss pending or reasonably imminent litigation.

Motion –

. . . by Mr. Korban Lee, to go into closed session for the discussion of the character professional competence or physical or mental health of an end individual and for a strategy session to discuss pending or reasonably imminent litigation; the motion was seconded by Mr. David Brickey; the motion carried unanimously by roll call vote.

The meeting went into closed session at 3:45 p.m.

Motion –

. . . by Mr. Wayne Pyle, to reopen the public meeting; the motion was seconded by Mr. Korban Lee; the motion carried unanimously by roll call vote.

The meeting was reopened to a public meeting at 4:03 p.m.

FOLLOW-UP AND CONSIDERATION OF EXECUTIVE DIRECTOR PERFORMANCE AND COMPENSATION

Dan Petersen (02:02:35): Okay. I will re- let me make sure I don't mess this up. Okay. We are back in open session and moving on to item 14, follow up and consideration of Executive Director performance and compensation. And I'm going to open the floor for a few comments for Board of Trustees member relating to Scott's performance, who would like to share some thoughts from this discussion?

Tim Tingey (02:03:24): I'll start with just a couple of thoughts. I've been on the board for a little while and I just I've really appreciated Scott's leadership and his expertise in this field and in what he does. And I feel a lot of confidence in his efforts here at VECC. And so I appreciate his work.

Dan Petersen (02:03:56): Any other comments?

Korban Lee (02:03:59): Yeah. I'll chime in. Scott I've been very impressed with the improvement in the performance measures, particularly the call answering times, you pushed hard. You told us for quite a while that that new phone system would make a big difference. You were absolutely right. That new phone system did make a big difference. I know that was a major project and a lot for you to oversee taking on that in the middle of the CAD changes as well is very challenging, but the performance measure improvements in the last month and a half have been fantastic. Scott, well done. Thank you.

Scott Ruf (02:04:43): Thank you Mr. Tingey, I appreciate your comments.

Dan Petersen (02:04:47): Kyle, you have your hand up.

Kyle Kershaw (02:04:52): Sorry. That was lingering from the prior session.

Dan Petersen (02:04:55): Okay.

Kyle Kershaw (02:04:56): But I can comment. The work that Scott's done has been tremendous. I mentioned earlier that a newsfeed popped up on my phone just a couple hours ago and it's reflective of a mess that's going on over at the Denver 911 center. And I'm so grateful that the call times have been addressed. And I think it's not only the phone system. I think the changes in organization out there, the shifts and the management. And I just really appreciate how all those factors have contributed to this improvement in the response times on the calls. So, yes. Thank you.

Scott Ruf (02:05:49): Thanks.

Dan Petersen (02:05:52): Any other comments?

Mark Reid (02:05:56): I would like to just echo what's been said, that we have been through some pretty challenging times here at the center and I've admired the leadership that has been taken and the ability to listen to all of the varied requests and comments and come back with great proposals. So I commend your efforts. Thank you.

Scott Ruf (02:06:26): Thanks

Gary Whatcott (02:06:26): Chief. Can I make a statement? Scott, I just wanted to thank you for the transparency we've seen in the fiscal aspects of the center. I think that was a real frustration for me when I was sitting in the chair seat that I never felt like we got really good answers about out all the financials and that's one of the big improvements I think we've seen since you've been there. And I really appreciate the focus on that and the transparency that we've seen. I think it was a real plus to hire a Finance Director and to have somebody there that's separate from the Director, looking at the books. So that was a real big plus for me. And so I really appreciate where we've gone and where we've been with that. So, thank you so much for that effort.

Scott Ruf (02:07:16): Thanks.

Dan Petersen (02:07:22): Very good. Yeah, Scott, as the Chair speaking from Gary, I trust you. I trust Clint. I like the direction we're going. I can see the landmines. I can see the holes that we've got in front of us, and I see a light that's getting us out of it. So, thank you very much for moving here from New Jersey, because it's a much better place than New Jersey anyway.

Scott Ruf (02:07:51): Okay. Yeah, we'll go with that.

Dan Petersen (02:07:54): With that. Is there a proposal for consideration on wages based on our discussion from earlier this year?

Tim Tingey (02:08:05): Yes. I'll make a motion. So based on, we had with withheld the 5% because we had hoped that he would meet the performance standards on the 911 system. I make a motion to approve a 5% increase for Scott's salary based on the following reasons, meeting the performance measure 911 thresholds and also strong leadership and performance and transparency as has been discussed. And also, that we've confirmed that it's within the existing budget. I make that motion.

Motion –

. . . by Mr. Tim Tingey, to approve the Executive Director performance and compensation increase; the motion was seconded by Mr. Gary Whatcott; the motion carried unanimously by roll call vote.

There was nothing more to discuss at this meeting.

The meeting adjourned at 4:12 p.m.