



CLARK REGIONAL EMERGENCY SERVICES AGENCY
STAFF REPORT 2025-06

TO: CRESA ADMINISTRATIVE BOARD
DATE: June 5, 2025
SUBJECT: ADOPTION OF UPDATED COST ALLOCATION FORMULA
FROM: Dave Fuller, Director

Objective(s):

Approve an updated User Cost Allocation Formula, developed through the Finance Committee's analysis, to ensure the methodology is both equitable and scalable, particularly in light of anticipated growth and expansion of specialized services for individual agencies.

Background:

While developing the CRESA 2025 budget, the Finance Committee reviewed the current cost allocation methodology, which is primarily based on call volume. This approach does not account for which agencies directly benefit from additional positions or services, leading to a disproportionate cost burden on high-call-volume agencies, regardless of their actual use of added services.

To address these concerns, the Committee and staff propose an updated allocation formula based on a two-step approach with agency specific costs based on dedicated services, and allocation of shared costs based on call volume. Additionally, radio-related costs are standardized using a per-radio rate to ensure equity among all users.

The CRESA Board reviewed these recommendations at its August 1, 2024 meeting and decided to defer implementation of the revised formula for the 2025 fiscal year. Instead, the Board agreed to consider adoption for fiscal year 2026.

Action Requested:

Approval of the attached updated User Cost Allocation Formula (Exhibit B) to be implemented for calculation of user fees for fiscal year 2026.

Dave Fuller

Dave Fuller (Jun 5, 2025 13:43 PDT)

Dave Fuller,
CRESA Director

Approved: John Nohr

John Nohr (Jun 5, 2025 13:56 PDT)

John Nohr, Chair
CRESA Administrative Board

Date: _____

Attachments:

CRESA Finance Committee Analysis – September 2024
Exhibit B: User Cost Allocation Formula – Effective 01/01/2026

CRESA User Fee Formula – Finance Committee Analysis and Discussion

09/03/2024

The purpose of analyzing the CRESA user fee formula was to make sure that the current allocation formula was equitable, and set a framework for growth and expansion of specialized services for specific agencies.

The Finance Committee reviewed the current methodology and discussed:

1. Is call volume the right way to allocate cost? Should that be the only factor in allocating cost?
2. Can CRESA provide a specialized service to a specific agency without effecting all of the other agencies?
3. Is it equitable, and if not, how can we make it more equitable?

Following discussion, the consensus of the Finance Committee was that the current model does not contemplate which agencies benefit from added positions or services and therefore shifts cost to the user agencies with the largest call volume due to the formula. Solely using call volume as the primary driver in calculating agency fees, shifts costs in a manner that may not be equitable or tied to which agencies benefit most from added positions or services. The Finance Committee went through the following steps to analyze and develop a recommendation for a more fair and equitable methodology:

1. Identified cost objectives
2. Discussed how services were being utilized at CRESA
3. Discussed how CRESA determines their need for FTE headcount based on hours

CRESA dispatch operations is organized by coverage and volume positions. There are a total of 11 coverage and 4 volume positions that need to be staffed throughout a day. These include:

1. Supervisors (24-hours) [Shared All]
2. CCSO Dispatch (24-hours) [Dedicated 14 –hours, Shared 10-hours]
3. VPD Dispatch (24-hours) [Dedicated 24 hours]
4. Fire Dispatch (24-hour) [Shared Fire]
5. Ops #1 (24-hours) [Shared All]
6. Ops #2 (24-hours) [Fire]
7. Breaks (24-hours) [Shared All]

8. Data (18-hours) [Shared Law]
9. Outlying Law (14-hours) [Shared outlying Law]
10. Phone 1 – Dispatch (14-hours) [Shared All]
11. Phone 2 – Dispatch (22-hours) [Shared All]
12. Call Taking (20-hours) [Shared All]
13. PTO (14-hours) [Shared All]

There are designated positions as well as shared positions as identified above, while some are discipline specific (law or fire), other positions serve and benefit all agencies.

Following discussion, it was determined that the most equitable way to allocate cost was to look at the positions on the floor and how many hours at a minimum it would take to staff those positions. The following questions were considered:

1. How is the cost of a position determined?
 - a. Position cost was calculated by taking the Owners' contribution to the cost of CRESA's approved budget (after E-911 tax, contract revenues, miscellaneous revenues and reimbursements) and dividing it by the number of hours required to staff a position.
2. What are the assigned costs based on hours dedicated to an agency?
 - a. The assigned costs are the costs that we could determine directly benefit a specific agency. Agencies with a dedicated position would be charged the entire calculated amount for that position.
 - b. Shared positions would be split, based upon call volume, amongst the agencies that use and benefit from that position.
3. What about radio costs?
 - a. In order to ensure radio costs are shared equitability between all users, in the new proposed formula, radios would be considered separately and each radio would have a per radio cost. We would align all per radio costs equally to all users.
4. What about ERR costs?
 - a. We would push ERR through the same call volume allocation as we did prior.

The new formula addresses the following:

- Equitable

Unlike the current formula that is based solely on the percentage of call volume and inadvertently shifts cost to the user agencies with the largest call volume, the new formula better assigns the cost of a position that specifically benefits one or more agencies.

- Flexible

Users have the ability to explore additional services or service enhancements they feel would benefit them. User fees can be adjusted to reflect changes in service each year (i.e. added positions)

- Adjustable

We can easily adjust the formula when the services being utilized by an agency change (i.e. an agency or agencies rethink the sharing of a dedicated position), or when the methodology no longer provides an accurate representation of the benefit.

Based on our analysis, the Finance Committee recommends the Board implement the new funding formula to be effective in the 2026 Budget year.

EXHIBIT B
CRESA SERVICES
USER COST ALLOCATION FORMULA

911 Dispatch Operations and Radio System Services:

CRESA's 911 Dispatch and Radio System Services operating costs are funded by the 911 Excise Tax and customer contracts, with the remaining balance funded by user fees. The following model describes how the user fees for founding agencies are allocated.

The objectives of this funding model are to be:

- **Equitable:** Assigns costs based on actual benefit
- **Flexible:** Allows for annual adjustments to reflect changes in services (e.g., new or reallocated positions)
- **Adjustable:** Accommodates service changes and agency decisions on resource sharing

CRESA's dispatch operations include both dedicated and shared staffing positions, categorized by coverage and volume. Some roles are discipline-specific (e.g., law or fire), while others serve all agencies. The funding methodology uses a two-step approach to first assign agency-specific costs based on dedicated services and then allocate remaining shared costs based on call volume. The following steps will be conducted annually during the budget development process to calculate the Founding Agency user fees:

- 1) Assess the staffing requirements for each position on the operations floor, based on the minimum number of hours needed to staff those positions.
- 2) Calculate position costs by dividing the Founder agencies' contribution to CRESA's approved operations budget (after accounting for E911 tax revenue, contract revenues, miscellaneous revenues, and reimbursements) by the number of hours required to staff each position.
- 3) Assign costs based on the direct benefit to each agency. Founding Agencies with dedicated positions are responsible for the full cost associated with those positions.
- 4) Assign costs for shared positions by distribution among the benefiting agencies, proportionally based on call volume.
- 5) To ensure fairness, each radio unit will be assigned a standardized per-unit cost, applied equally across all users based on the Radio Program costs and number of units on the system.

For calculations that include call-volume as a determining factor, the call volume will be based on a rolling average of the activity for the agency over the previous two years.

Costs related to specific passthrough services or equipment that are of sole benefit to an individual agency, or small group of agencies shall be passed through solely to that

agency (e.g., licenses or maintenance costs associated with software or computer interfaces or purchases of radio equipment on behalf of an agency).

Equipment Repair and Replacement (ER&R) and Capital Project Costs:

Board-approved contributions to ER&R and Capital Project costs will be calculated based on each Founding Agency's proportional share of the total contributions to operations by all Founding Agencies.

Emergency Management Services:

CRESA's Emergency Management Services operating costs are funded by the State Emergency Management Performance Grant (EMPG), the Washington State Homeland Security Program (SHSP) grants, and any private contracts, with the remaining balance funded by a per capita rate assessed to the participating county and cities. The per capita rate is based on the most recent population figures established by the Washington Office of Financial Management.