

S P O K A N E  C O U N T Y

OFFICE OF COUNTY COMMISSIONERS

TODD MIELKE, 1ST DISTRICT • MARK RICHARD, 2ND DISTRICT • BONNIE MAGER, 3RD DISTRICT

March 3, 2009

Mr. Rich Munson, Mayor  
City of Spokane Valley  
11707 East Sprague Avenue, Suite 106  
Spokane Valley, Washington 99206

Mr. David Mercier, City Manager  
City of Spokane Valley  
11707 East Sprague Avenue, Suite 106  
Spokane Valley, Washington 99206

RE: *Request for Payments due Under Interlocal Agreement for Law Enforcement Services in the City of the Spokane Valley (Spokane County Resolution No. 03-0238)*

Dear Mayor and Dave:

This correspondence is in follow-up to our joint meeting on Monday, February 23, 2009.

The second topic of discussion at that meeting was entitled "Contractual Relationships". During Mr. Emacio's overview of this topic, he opined that the City of Spokane Valley was in "breach" of the *Interlocal Agreement for Law Enforcement Services in the City of the Spokane Valley* executed under Spokane County Resolution No. 03-0238 (the "Agreement"). It was Mr. Emacio's opinion that the Agreement required the City to pay 1/12<sup>th</sup> of the annual estimated contract amount monthly on or before the last day of each month. He also provided documentation substantiating that for calendar year 2008, the City had not paid 1/12<sup>th</sup> of the annual estimate and as such owed Spokane County \$520,345.22 which amount excludes the inclusion of the COLA. Additionally, for the months of January and February 2009, the City continued to pay under the 2007 rate and as such underpaid its bill in the total amount of \$272,027.36. If this underpayment continues for the entire calendar year, the City will have underpaid in 2009 an additional \$1,632,164.16.

The Board has had an opportunity to further discuss with Mr. Emacio the City's underpayment(s) under the Agreement. Mr. Emacio has directed the Board's attention to Sections No. 5.6, 5.9, 5.10, and 5.13 in the Agreement. After a review of those provisions, the Board is of the view that the City's responsibility to reimburse the County on a monthly basis cannot be adjusted by the City's challenge to the application of indirect costs. Instead, the City is required to pay on a monthly basis 1/12<sup>th</sup> of the annual budget based upon the methodology set forth in the Agreement as *mutually* modified by the parties.

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In the spirit of cooperation which this topic was discussion at our joint meeting, the Board would ask that the City honor the contractual provisions in the *Interlocal Agreement for Law Enforcement Services in the City of the Spokane Valley* and immediately make payment to Spokane County in the following amounts:

Calendar Year 2008	\$520,345.22
January/February 2009	\$272,027.36

The County understands in conjunction with the reconciliation as set forth in Section 5.9 the Agreement, that the County may have an obligation to make adjustments as provided for in that Section.

Thank you very much for your attention to this matter.

Sincerely,

Todd Mielke, Chair  
On Behalf of the Entire Board

cc: Dick Denenny  
Rose Dempsey  
Bill Gothmann  
Gary Schimmels  
Steve Taylor  
Diana Wilhite