



## Agenda

### PSERN Operator Board of Directors

### Annual Meeting (February 2023)

**Location:** PSERN Conference Room 19717 62<sup>nd</sup> Ave S, E102, Kent, WA 98032

**Virtual meeting:** Microsoft Teams (details below)

**Date:** Thursday, February 23, 2023

**Time:** 3:45 p.m. – 5:00 p.m.

**Microsoft Teams Meeting:** Members of the public are invited to participate in the meeting in person at the location above or virtually by telephone or video by using the following phone number and meeting ID: 1-425-653-6586 Meeting ID: 975 100 443#

**Directors:** Chief Harold Scoggins (Chair), Dwight Dively, Commissioner Chris Elwell, Kurt Triplett, Lora Ueland, Chief Dan Yourkoski

**Alternates:** Undersheriff Jesse Anderson, Shawn Hayes, Kristin Meitzler, Brad Miyake, Mark Schmidt

#### Agenda Details:

1. Call to Order – Chief Scoggins 3:45 p.m.
2. Roll Call – Tracey Doss 3:46 – 3:48 p.m.
3. Public Comment – Chief Scoggins 3:48 – 3:50 p.m.

Board Chairperson to open floor for public comment. Members of the public are invited to address the Board of Directors for a period of time not to exceed three minutes.

4. Consent Agenda – Chief Scoggins 3:50 – 3:55 p.m.

**Note: Directors can request to have any item removed from the consent agenda.**

- a. Approve Minutes
- b. Payment Approvals

**(Decision: Approve the Consent Agenda)**

5. Action Register Review – Chief Scoggins 3:55 – 4:00 p.m.
6. Executive Director Report – Mike Webb 4:00 – 4:10 p.m.

**(Discussion)**

7. Startup Spending Update – Tracy Plouse 4:10 – 4:20 p.m.

**(Discussion and Decision – Approve purchase of 2 Ford Ranger pickups under state contract.)**

8. Resolutions 23-01 & 23-02 – Tracy Plouse 4:20 – 4:30 p.m.
  - a. Resolution 23-01 – Establishing a Clearing Fund
  - b. Resolution 23-02 – Signing Authority

***(Decision: Approve the Resolutions 23-01 and 23-02.)***
9. Operational Support Agreement – Mike Webb 4:40 – 4:50 p.m.

***(Discussion)***
10. PSERN Board of Directors Officer Report – Board Officers 4:50 – 4:55 p.m.

***(Discussion)***
11. Review New Action Items – Chief Scoggins 4:55 – 5:00 p.m.

***(Discussion)***
12. Executive Session (if needed) – Board Officers

Adjourn

Next Meeting: March 23, 2023

# PSERN Board of Directors

## Agenda Item #4



Title: Consent Agenda

PSERN Operator Board of Directors Meeting Date: February 23, 2023

PSERN Staff Contact: Tracey Doss, Administrator

Action: Decision

---

### Appendix A: Meeting Minutes from January 26, 2023

### Appendix B: Payment Approval

Date	Payment Type	Amount
02/02/2023	Warrants	\$68,510.99
02/09/2022	Warrants	4,315.32
02/02/2023	Special District Journal Entry	73,009.44
<b>TOTAL</b>		<b>\$145,835.75</b>

MOTION: That the PSERN Operator Board approve the Consent Agenda

## Appendix A: Meeting Minutes from January 26, 2023



### PSERN Operator Board of Directors

### Meeting Minutes

**Location:** Room # 124, King County Chinook Building, 401 5<sup>th</sup> Avenue, Seattle, WA

**Virtual meeting:** Microsoft Teams (details below)

**Date:** Thursday, January 26, 2023

**Time:** 3:45 p.m. – 5:00 p.m.

**Microsoft Teams Meeting:** Members of the public are invited to participate in the meeting in person at the location above or virtually by telephone or video by using the following phone number and meeting ID: 1-425-653-6586 Meeting ID: 975 100 443#

**Directors Present:** Chief Harold Scoggins, Chair, Dwight Dively, Commissioner Chris Elwell, Kurt Triplett, Lora Ueland, Chief Dan Yourkoski

**Alternates Present:** Mark Schmidt

**Attendees:** Spencer Bahner, Celeste Bolden, Kevin Cao, Jennifer Devore, Tracey Doss, Sean Douglas, Dino Lamanna, David Mendel, Kimberly Nuber, Alex Rampley, Tracy Plouse, Joel Thornton, Mike Webb, Ellen Whitely

1. Call to Order – Lora Ueland 3:45 p.m.
2. Roll Call – Tracey Doss 3:45 p.m.
3. Public Comment – Lora Ueland 3:45 – 3:46 p.m.  
No public comments.
4. Election of Board Chairs and Officers for 2023/24 – Lora Ueland 3:46 – 3:49 p.m.

Due to no quorum and cancellation of the December meeting, the Board was delayed in electing a new Chair and other Officers. All Officer positions are due for reelection. Only voting members may be elected to Officer positions.

Lora Ueland opened by nominating Chief Harold Scoggins for the role of Chair. Kurt Triplett seconded the nomination. Nominations are closed. Members unanimously voted to elect Chief Harold Scoggins as Chair.

Chief Harold Scoggins nominated Kurt Triplett for the role of Vice Chair. Dwight Dively seconded the nomination. Nominations are closed. Members unanimously voted to elect Kurt Triplett as Vice Chair.

Chief Harold Scoggins nominated Lora Ueland for the role of Secretary. Kurt Triplett seconded the nomination. Nominations are closed. Members unanimously voted to elect Lora Ueland as Secretary.

Lora Ueland nominated Dwight Dively for the role of Treasurer. Kurt Triplett seconded the nomination. Nominations are closed. Members unanimously voted to elect Dwight Dively as Treasurer.

Lora Ueland congratulated all the new Officers and turned the meeting over to the new chair, Chief Scoggins.

5. Consent Agenda – Chief Scoggins 3:49 – 3:51 p.m.

**Note: Directors can request to have any item removed from the consent agenda.**

- a. Approve October 27, 2022, Minutes  
b. Payment Approvals

**Motion:** Dwight Dively made a motion to approve the consent agenda. Kurt Triplett seconded the motion. Member unanimously approved the motion.

6. Action Register Review – Chief Scoggins 3:51 – 3:52 p.m.

Two actions were added to the register at the October meeting. One action to prepare a draft operations support agreement between the County and the Operator, Mike is responsible. The second action is for the Operator to bring a decision regarding the collection of service fees from agencies beginning in 2024 to a future meeting.

7. Executive Director Report and 2022 Year in Review – Mike Webb 3:52 – 4:02 p.m.

Mike Webb provided a look back on the previous year including the 6 resolutions the Board approved, primarily having to do with procurement or financial matters.

The Board also made several decisions in 2022 including:

- administrative start up spending plan,
- authorized hiring of finance and technical managers,
- approval of operation and technical staffing and spending plans,
- adopted Accrual accounting,
- executed King County Cash Management and Investment Pool agreements,
- authorized lease for the PSERN Kent facility,
- adopted Operator charge card policy,
- authorized expenditure for furniture for the PSERN facility,
- adopted a revised procurement policy,
- adopted a petty cash policy.

Other matters considered and discussed by the Board in 2022, the budget for the Operator, how will rate stabilization be applied, staffing plan, establishing a consent agenda and setting the Operator transfer date and the transfer agreement.

Looking ahead to 2023, a big focus is around staffing. Currently, there are 5 staff working from the Kent facility with the target of full staff and operational responsibility achieved by the end of June.

Other organizational development initiatives for 2023 are: cloud-based IT systems, additional administrative and technical support processes and policies, which will be brought to the Board. Also, execution of the transfer agreement, execution of an operational support and funding agreement with King County and transitioning staffing to the PSERN Operator targeted for the beginning of 2024.

There is also work to be done to support the Project transitioning user agencies to the new system and continued outreach to establish relationships with those agencies.

Moving on to the Executive Director's Report, Hank Krajewski was hired in December as Radio Operations Supervisor. Tracy Plouse is in the middle of the financial system implementation. The Operator is dealing with some loose ends around the facility, but most things are up and running.

Focus is on allowing the Operator to receive and inventory radios from Motorola and deliver and tracking of the radios.

At the February meeting the Operator hopes to have a draft transfer agreement for Board consideration and a report outlining the considerations and recommendations for an operations support and funding agreement between the County and the Operator to cover July – December 2023.

In March the Operator plans to bring an update on contract template development around future radio site subleasing. There is strong interest particularly for sites in the remote areas.

8. Board of Directors Workplan Update – Mike Webb 4:02 – 4:04 p.m.

The last update of the workplan was done in July, and prior to that in January. Details are in the package, major changes have already been touched on, such as the operational support agreement, transfer agreement, dates for staffing and staffing plan. Timing for getting approval for these has been updated to reflect the new FSA date, as well as dates for operational readiness. Activities for the Operator taking over staff hiring from King County has been added.

9. Startup Spending Update – Tracy Plouse 4:04 – 4:07 p.m.

Spending is still tracking under the 2022 baseline due primarily to expenditures for staffing and benefits pushed forward since hiring has not happened as quickly as originally planned. There were some expenditures for the Kent facility in October, November and December and some continuing costs as IT is ramped up.

The 2023 spending plan has been reworked to combine the admin and tech startup spending plans and covers until June 30. Staffing costs forecast for 2022 were pushed into 2023. It is expected that the entire startup spending amount will be expended by June 30<sup>th</sup>.

Tracy will present a consolidated report every month; the current report shows 2022 was \$726K under budget, the majority was staffing costs that were then pushed into 2023.

10. Transfer Agreement – Mike Webb 4:07 – 4:17 p.m.

The transfer agreement is a legal instrument for transferring ownership and ongoing management of the PSERN system from the County to the PSERN Operator. This includes both the transfer of assets and any agreements such as the Motorola contract, lease agreements and other miscellaneous agreements that are transferable, some are not. A draft transfer agreement was provided to the Operator for review. Mike has reviewed it with counsel and provided feedback to the County. County Council approval is required before the agreement can be executed. Timing will be tight but discussions during the Joint Board may be able to accelerate the Council's approval. The Operator will be seeking preliminary approval of the substantially final agreement by the Board at the February meeting.

Kurt Triplett asked if there was a reason that they don't send an approved agreement to Council and has the Operator considering it? Mike responded that the Operator would want to know that the Board approves the agreement before it goes to Council, and that the use of the word preliminary may be inaccurate. Mike will consult with legal counsel if there's any variation on the wording of the motion, should it be preliminary approval by the Board or full approval?

Kurt Triplett asked if there was a champion on the Council for PSERN? Dwight Dively responded that the County Council has not discussed PSERN for years and the transfer agreement is non-controversial unless someone from the outside raises a concern. It will go through the Budget and Fiscal Management Committee, Councilman McDermott is Chair, Mr. Dively doesn't think there are any concerns, and no champion will be needed. Mr. Dively will work with the Executive and government relations teams and Councilman McDermott to get it through the Council.

David Mendel recommended the motion for the agreement be “approval of the agreement substantially in the form presented. “

For Operator Action: Mike Webb will consult with legal counsel on the wording of the motion for the Board to approve the transfer agreement prior to sending for Council approval.

11. PSERN Board of Directors Officer Report – Board Officers 4:17 – 4:19 p.m.

Commissioner Elwell brought to the Board’s attention that the fire service alternate has resigned. The King County Commissioners and the Fire Chiefs’ Association will be meeting to identify another alternate for the Operator Board of Directors. Chief Scoggins will touch base with the president of the Fire Chiefs’ Association on this matter.

12. Review New Action Items – Chief Scoggins 4:19 – 4:20 p.m.

The Operator Administrator will update the Board materials with the name of the new Chair.

No other action items were added.

Adjourn 4:20

Next Meeting: February 23, 2022

**Appendix B: Payment Approval**

<b>Payee</b>	<b>Invoice Number</b>	<b>Invoice Date</b>	<b>Invoice Amount</b>	<b>Warrant #</b>	<b>Description</b>
Aramark	5120144918	12/15/2022	\$16.52	10020201	Floor mats for office and warehouse
Aramark	5120164762	1/12/2023	\$16.51	10020202	Floor mats for office and warehouse
Aramark	5120158638	1/5/2023	\$16.51	10020203	Floor mats for office and warehouse
Aramark	5120153986	12/29/2022	\$16.52	10020204	Floor mats for office and warehouse
Aramark	5120149630	12/22/2022	\$16.52	10020205	Floor mats for office and warehouse
Bluespace Interiors	KI-00086502	12/6/2022	\$42,637.32	10020206	Office furniture installation/moving/purchase
Bluespace Interiors	KI-00088004	12/29/2022	\$137.34	10020207	Office furniture installation/moving/purchase
CDW Government	FGB87109	1/10/2023	\$12,118.84	10020208	IT hardware for new facility
CDW Government	FZ19403	1/5/2023	\$1,948.24	10020209	IT hardware for new facility
CDW Government	FZ2357	1/6/2023	\$2,094.17	10020210	IT hardware for new facility
CDW Government	GD26244	1/13/2023	\$3,671.64	1020211	IT hardware for new facility
Century Link	JAN 253-872-4132 593B	12/29/2022	\$154.80	10020212	Office phone lines for emergency and security system
Lumen	624130507	1/1/2023	\$559.48	10020213	IT Network service
Pacifica Law Group LLP	79947	1/10/2023	\$1,722.00	10020214	Legal Services
WFT Company Two LLC	PSEMERG FEB 2023	1/9/2023	\$3,384.58	10020215	Feb 2023
Celeste Bolden	EXPENSE REIM FEB 2023	2/2/2023	\$62.95	10021665	Expense reimbursement for mileage, keys
Celeste Bolden	EXPENSE REIM DEC 2022	2/2/2023	\$13.83	10021666	Expense reimbursement for mileage
US Bank Corporate	***3644 Jan 2023	1/25/2023	\$4,238.54	10021667	Office Supplies
King County PSERN Project	12312022	02/02/2023	\$73,009.44	Journal Entry	King County Contracted Service Wages/benefits/overhead, IT services
		<b>TOTAL</b>	<b>\$145,835.75</b>		



## PSERN Operator Board of Directors Action Log - Open Items

Date Opened	Item	Responsible	Due Date	Notes
3/24/2022	2023 budget and service fee development.	Mike Webb/Tracy Plouse	6/22/2023	Target early draft by June board meeting
3/24/2022	Sublease agreement template for radio sites drawn up for further discussion.	Mike Webb	TBD	Will revisit in 1Q 2023.
10/27/2022	Operator staff will prepare a draft operational support agreement between the County and the Operator.	Mike Webb	2/23/2023	In progress.
10/27/2022	The Operator will add the decision regarding collection of service fees from agencies beginning in 2024 to a future Board meeting.	Mike Webb/Tracy Plouse	TBD	To be added once it is certain no fees will be collected in 2023
1/26/2023	Mike Webb will consult with legal counsel on the wording of the motion for the Board to approve the transfer agreement prior to sending for Council approval.	Mike Webb	2/23/2023	This is complete. Wording for the agreement has been provided.

**PSERN Operator Board of Directors**  
**Action Log - Closed Items and Archive**

<b>Date Opened</b>	<b>Item</b>	<b>Responsible</b>	<b>Due Date</b>	<b>Notes</b>
4/28/2022	Summary of portfolio of PSERN leases.	Project Staff	6/1/2022	Operator
4/28/2022	Budget workshop to discuss 2023 budget and rate setting.	Mike Webb/Tracy Plouse	7/15/2022	Workshop held July 11th. Update at July board meeting.
6/23/2022	Operator staff will send a calendar invite for the July 11, 2022, budget workshop.	Tracy Plouse	6/24/2022	
3/24/2022	Facility recommendation and approval.	Mike Webb	8/25/2022	Leased approved at 8/25 meeting.
6/23/2022	Review availability for the August and September regular Board meetings.	Board Members	7/28/2022	Need to confirm quorum
4/28/2022	Provide a report on possible changes to the Operator ILA associated with a change to the milestone at which the Operator takes over operational responsibility. Assess the Motorola contract for any concerns.	Mike Webb	9/22/2022	This pertains to the proposal to set the date for operational transition and PSERN service fee commencement to something other than FSA.
5/26/2022	Review existing procurement policy to consider issues identified in Clark Nuber phase 1 report.	Mike Webb/Tracy Plouse	9/22/2022	Procurement policy amendments approved. Updated budget report provided at September meeting.
8/25/2022	Update the draft budget and service fee estimates to reflect revised CPI rates.	Tracy Plouse	9/22/2022	

Date Opened	Item	Responsible	Due Date	Notes
9/22/2022	Approval of warrant vouchers (checks) needs to be added to future board meetings as a standing item. This could be done as part of a consent agenda that would also include approval of previous meeting minutes.	Mike Webb/Tracy Plouse	10/27/2022	Will be incorporated as part of consent agenda starting with October meeting
9/22/2022	Operator staff will bring additional information on the alternatives to modifying or setting the Operator Transfer date and the associated funding requirements and approaches.	Mike Webb	10/27/2022	Closed, follow up item added to action log.

# PSERN Board of Directors Staff Report

## Agenda Item #6



**Title:** Executive Director Report – February 2023  
**Meeting Date:** February 23, 2023  
**PSERN Staff Contact:** Michael Webb, Executive Director  
**Action:** Discussion

---

### **SUMMARY:**

This report provides a summary of the activities of the PSERN Operator (PSERN) since the last report to the Board at the January 2023 meeting.

### **ANALYSIS:**

#### PSERN Project to Operator Transfer

- A staff report at the February meeting discusses the agreement needed between King County and the Operator to address operational support responsibilities and funding requirements in the latter half of 2023, prior to FSA.
- A draft of this operational support agreement is expected to be ready for PSERN Operator board consideration and approval at the March meeting.

#### 2023/2024 Operating Budget and Service Fee Development

- Operator staff have revised the startup spending forecast for the first half of 2023; due to delayed hiring, approximately \$516K in startup funds are projected to be unspent at the end of June.
- Operator staff have also prepared a spending estimate for the second half of 2023 for inclusion in the proposed operational support agreement.
- Work on developing a full-year operating budget for 2024 will begin in March, with a budget update report for discussion planned in April, and a draft budget and service fee rates to be presented in May.

#### Transfer Agreement

- A draft version of the asset Transfer Agreement between the County and the Operator has been discussed and reviewed by the Operator's legal counsel (Pacifica) and the King County PAO.
- Although the overall form of agreement has been agreed and no significant issues are outstanding, the exhibits to the agreement (identifying assets and agreements to be transferred/assigned) need to be added and review by KC Council legal counsel should be completed before the agreement comes forward for Operator board approval.
- As a result, approval of this agreement will be deferred to the March meeting; this revised timing will still enable transmittal to KC Council on the previous timeline.

### Staffing/Hiring

- Staffing for the PSERN Operator currently sits at 5.
- Requisitions and postings are currently open for the following positions:
  - PSERN Administrator III (backfill)
  - Accountant (previously Fiscal Specialist)
- Plans for additional staffing during the startup period have been revised, with the additional positions to be filled prior to the commencement of the Operational Support Agreement in July reduced to the following:
  - HR Specialist
  - IT Specialist
  - Network Engineer
  - RF Systems Engineer
- With up to 8 additional staff expected to transition from the PSERN Project, and 5 staff expected to transition from King County RCS (Radio Shop), the PSERN Operator headcount is forecast to be 24 in July, at commencement of the Operational Support Agreement.

### Employment Transition to Operator

- A target date of January 1, 2024 has been set for transition of PSERN Operator staff from employment with King County to direct employment with the Operator.
- An RFP letter for labor and HR-related legal services has been issued to three specialist firms recommended by the Operator's legal counsel (Pacifica).
- Operator staff have begun the process of sourcing alternatives and proposals for employment benefits (health, dental, etc.).

### Financial Startup

- The PSERN Operator's financial management system (Caselle) will be fully implemented and operational by the end of March.
- Two resolutions dealing with establishment of a Clearing Fund to enable electronic payments and Delegation of Signing Authority are being brought forward for approval at the February meeting under agenda item 8.

### IT Systems

- Implementation of Microsoft 365 for the PSERN Operator is underway and expected to complete by the end of March, at which point Operator staff will begin to transition to "psern.org" email addresses.
- An operational ticketing (service management) system has been implemented and is being used to capture, track and report on requests for DAS system related activities, incidents and service requests related to the radio network and transitioned (i.e., Wave 1) user agencies.
- The PSERN Operator's asset management system (Commshop) will be fully implemented by early March and will be used to track inventory and repair records of deployed and in-service radio equipment.

### Workspace/Facility

- The PSERN facility in Kent is operational 8 AM to 5 PM Monday – Friday and being used to support Project codeplug development/testing and radio deployment activities, in addition to housing PSERN Operator staff.

### Operator Vehicle Requirements

- The Operator is in the process of acquiring two small pickups under the statewide contract with Ford using operational startup funds (note that board approval of this purchase is requested under agenda item 7).
- With 3 existing PSERN Project vehicles and 5 existing KC RCS vehicles expected to transition to the PSERN Operator under the Transfer Agreement, vehicle requirements through to the end of 2023 are taken care of.
- However, the PSERN Operator will need to make budget provisions for ongoing vehicle replacement (2-3 per year) starting in 2024; use of available startup funds is one potential source of funding.

### Upcoming Board Meeting Topics

- Topics expected to be brought forward over the next 2 board meetings include the following:
  - March 2023:
    - Approval of Transfer Agreement.
    - Approval of Operational Support Agreement.
    - Update and/or approval of significant procurements, as required.
    - Approval of financial/administrative policies, as required.
  - April 2024:
    - 2024 budget update discussion.
    - Operator employment transition discussion.
    - Update and/or approval of significant procurements, as required.
    - Approval of financial/administrative policies, as required.
  - May 2024:
    - Draft 2024 budget and service fees.
    - Update and/or approval of significant procurements, as required.
    - Approval of financial/administrative policies, as required.
- These topics are in addition to the regular standing items, including the Action Item Log, Executive Director’s report and Startup Spending Update.

### **CONCLUSION:**

This report has provided a summary of the work undertaken by the PSERN Operator since the previous report in January 2023.

### **SUPPORTING DOCUMENTATION:**

None

# PSERN Operator Board of Directors

## Staff Report - Agenda Item #7



**Title:** Startup Spending Update – February 2023  
**Meeting Date:** February 23, 2023  
**Staff Contact:** Tracy Plouse, Finance & Admin Services Manager  
**Action:** Discussion/Decision

---

### **SUMMARY:**

This report provides an update on PSERN Operator startup expenditures to the end of January 2023, and a spending plan/forecast for expenditures to the end of June 2023, the point at which the PSERN Operator is currently planned to assume operational responsibility. A request for board authorization to purchase two vehicles is also included in this report

### **BACKGROUND:**

As discussed in the January 2022 report to the Board (Startup Staffing and Spending Plan), in the absence of a financial management system and supporting policy and processes for PSERN, the Executive Director will provide monthly status reports/updates at each Board meeting that describe:

- Year-To-Date spending against the baseline spending plan.
- Revisions to expenditure forecasts, including cost estimates and timing.

As of August 2022, the Finance Manager has assumed responsibility for this reporting. At the May 2022 meeting, the Board approved additional startup funds for technical and operational expenses (a total of \$3.05M has been approved and transferred from Project funds to the Operator). An additional table was added to this report beginning with the June 2022 report, and as of December 2022 the funds have been combined into one table.

Starting with August 2022, the PSERN Operator reimburses the PSERN Project (King County) for any service provided (i.e. staffing/benefits) directly from the startup funds on deposit in the Operator's account. KCIT Finance submits an invoice to the Operator after the month end closing and the Operator authorizes transfer of funds from its account to reimburse the County. For the month of January 2023, the invoice included wages, benefits, and internal KCIT administrative services.

### **DISCUSSION/ANALYSIS:**

Appendix A provides a summary of the spending of the PSERN Operator as of January 31, 2023. Spending to date is below the estimates provided in the baseline spending plan. This is primarily due to delays in hiring staff and the associated wages and benefits.

Over the past month, a review of technical and operational staffing has been completed. Appendix B provides a revised hiring plan with the anticipated hiring dates and financial impact. It is anticipated that the Operator will have surplus funds of approximately \$516,000 upon assuming operational responsibility on July 1, 2023,

primarily as a result of planned delays in hiring and transitioning staff. The spending forecast for 2023 has been revised to reflect the current target for completion of startup and assumption of operational responsibility at the end of 2Q 2023. Funding requirements for the period after this transition and prior to FSA are discussed in a separate report to the Board.

The following notes apply:

- The 2023 forecast covers the 6 month period ending June 30, 2023. The PSERN Operator is not fully funded to cover staffing and operational expenses after that date.
- Expenditures for the PSERN Operator facility in Kent are reflected in this report. There are still some sizable start-up costs for technology hardware and software that will occur in 1Q 2023.
- The majority of other expenditures to date are staffing and benefits, with some expenditures for legal services, King County IT services, financial consulting services, and financial software.
- It is expected that approximately \$517K of startup funds will remain at the end June 2023, as reflected in the revised startup spending plan.

As discussed above, the Board has previously directed that significant expenditures in excess of \$50,000 require further, explicit Board approval. Within the approved startup spending plan there is a budget of \$75,000 for “Vehicle Acquisition” and a budget of \$10,000 for “Vehicle Lease.”

In order for the Operator to be fully operational by June 30, 2023, it is planning to expend up to \$85,000 of startup funds for the purchase of two 2023 Ford Ranger 4WD trucks. The Operator will procure these vehicles under Washington State Master Contract #05916 from Bud Cleary Ford/Hyundai.

In order to move forward on the purchase of two vehicles it is requested that the Board of Directors approve the following motion:

**MOTION:** That the PSERN Operator Board authorize the Executive Director to expend up to \$85,000 for the acquisition of two 2023 Ford Ranger 4WD vehicles from Bud Cleary Ford/Hyundai.

## **CONCLUSION**

This report provides an update on startup expenditures to the end of January 2023 and a forecast of expenditures to the end of June 2023. Spending to date is currently below the estimates provided in the baseline spending plan and it is anticipated that there will be a balance of approximately \$516,000 in excess funds on June 30, 2023. This report is also requesting approval for the purchase of two fleet vehicles for the PSERN Operator.



**SUPPORTING DOCUMENTATION:**

**Appendix A: PSERN Operator Spending (Year-to-Date and Forecast) – January 2023**

A summary of expenditures to end of January 2023 and forecasted expenditures during PSERN’s startup phase in 2021, 2022 and 2023 (prior to operational transition), are provided in the table below.

This covers the administrative staffing and initiatives discussed in prior reports to the board. The table will be updated every month once transactions post to that the applicable account.

<b>PSERN OPERATOR STARTUP SPENDING</b>						
<b>AS OF JANUARY 31, 2023</b>						
<b>Expenditure Category</b>	<b>2021 Actual</b>	<b>2022 Actual</b>	<b>Jan 2023</b>	<b>2023 YTD Actual</b>	<b>2023 Forecast</b>	<b>Total Startup Forecast</b>
<b>Contracted Salaries, Wages &amp; Benefits</b>	\$44,661	\$454,921	\$52,001	\$52,001	\$720,512	\$1,167,977
<b>Insurance</b>	3,488	4,513	-	-	6,000	14,001
<b>Contracted Services</b>	7,506	31,589	7,734	-	66,184	101,364
<b>Professional &amp; Consulting Services</b>	8,413	77,477	1,722	1,722	250,135	332,006
<b>Office/Administrative Expenses</b>	-	143,374	180,002	180,002	560,320	757,544
<b>PSERN-Specific IT Systems</b>		7,850	-	-	160,056	167,906
	<b>\$64,068</b>	<b>\$719,724</b>	<b>\$241,459</b>	<b>\$241,459</b>	<b>\$1,763,207</b>	<b>\$2,540,797</b>
					<b>Startup Funds Made Available</b>	<b>\$ 3,057,795</b>
					<b>Variance</b>	<b>\$ (516,998)</b>

**Appendix B: PSERN Operator Hiring Plan (Revised January 2023)**

<b>PSERN OPERATOR STARTUP SPENDING</b>					
<b>AS OF JANUARY 31, 2023</b>					
Staff Position	Original Hiring Plan	Revised Hiring Plan	Hire Date	Jan 1 to Jun 30 2023	
	# months			Salary	Benefits
Executive Director (50% Op/50% Proj)	6	6	Nov-21	\$56,773	\$23,845
Administrator	6	4	Mar-23	41,675	17,503
Finance Manager	6	6	May-23	75,484	31,703
Accountant	6	3	Apr-23	23,109	9,706
HR Specialist	3	2	May-23	15,038	6,316
Administrative Specialist	6	6	Nov-22	33,002	13,861
Technical Operations Manager	6	6	Nov-22	88,743	37,272
Facility Manager	2	0	Jul-23	-	-
Radio Operations Supervisor	6	6	Jan-23	79,042	33,198
Senior Radio Technician(9)			Jul-23	-	-
Engineering Supervisor	4	0	Jul-23	-	-
RF Systems Engineer	5	3	Apr-23	32,903	13,819
RF Systems Engineer	3	0	Jul-23	-	-
Security Analyst	2	0	Jul-23	-	-
System Administrator	6	3	Apr-23	28,730	12,067
Network Tech/Engineer	5	3	Apr-23	32,903	13,819
Network Tech/Engineer	1	0	2024	-	-
	<b>Total</b>			<b>\$507,403</b>	<b>\$213,109</b>
	<b>Total Salaries &amp; Benefits</b>			<b>\$720,512</b>	
			Original Start-Up Staffing Plan	\$ 1,106,627.00	
			Difference	\$ 386,114.63	

# PSERN Board of Directors Staff Report Agenda Item #8



**Title:** Establishing an Electronic Payment Clearing Fund & Delegation of Signing Authority  
**Meeting Date:** February 23, 2023  
**PSERN Staff Contact:** Tracy Plouse, Finance and Admin Services Manager  
**Action:** Decision

---

## **SUMMARY:**

### *Resolution 23-01 Establishing a Bank Clearing Fund for the Purpose of Processing Electronic Payments*

This report presents, for approval, a board resolution authorizing the establishment of a clearing fund from which to make ACH/EFT/electronic payments to vendors and suppliers. The King County Treasurer, the manager of PSERN Operator’s cash and investments, is unable to make these electronic payments on behalf of the Operator. The Operator desires to make these payments through a commercial bank account to avoid late charges, ensure that payments are properly credited and maintain a positive relationship with suppliers and vendors.

### *Resolution 23-02 Authorizing the Executive Director to Delegate Certain Matters Including Signing Authority*

This report presents, for approval, a board resolution authorizing the Executive Director to delegate certain matters, including signing authority. In order to ensure that the PSERN Operator maintains uniform, efficient and timely operations in the absence of the Executive Director, a resolution authorizing the Executive Director to delegate signing authority is required.

## **BACKGROUND/ANALYSIS**

### *Resolution 23-01 – Establishing a Bank Clearing Fund for the Purpose of Processing Electronic Payments*

The PSERN Operator began making payments to vendors and service providers independent of the PSERN Project in September of 2022. Several vendors, primarily the property management company for facility rental payments, have requested that invoices be paid via ACH from a bank account. As a result of not having this ability the Operator has been assessed some late charges and large orders have been delayed given the time to request a warrant from the King County Treasurer, mail the warrant and wait for it to clear.

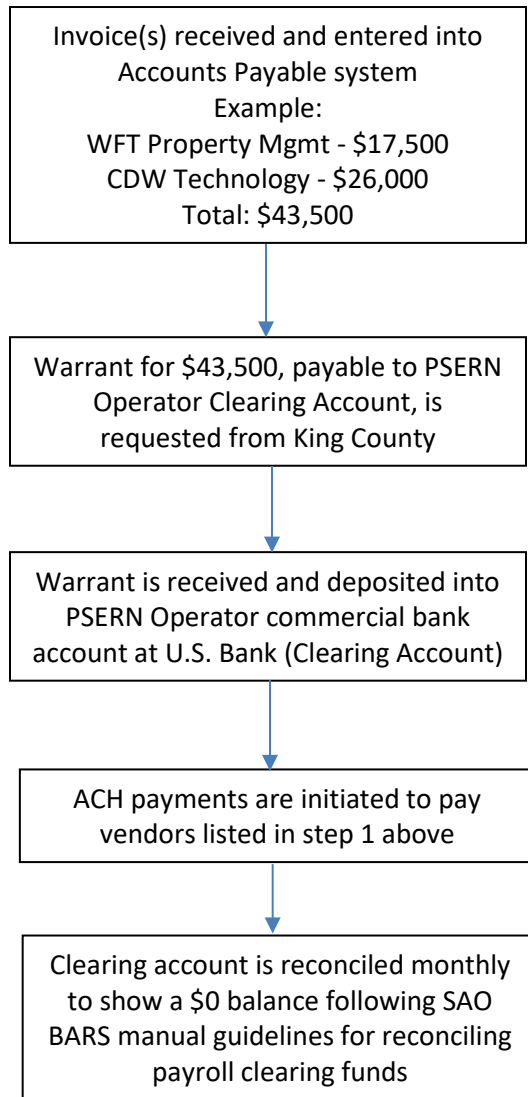
At its July 2022 meeting the Board was presented with information regarding options for the PSERN Operator’s cash management and investing. The PSERN Operator Board authorized the Executive Director to execute the King County Cash Management Services and King County Investment Pool Agreements at that time. The Cash Management Services Agreement (Appendix A) Scope of Work 1(e) states that the cash management services include “executing wire and ACH payment requests by the Operator.”

The PSERN Operator began processing its own accounts payable in early September 2022. At that time staff was informed that King County Treasurer does not have the capability to make electronic payments on behalf of Special Districts, which it considers the PSERN Operator to be.

In early November 2022 staff contacted the Washington State Auditor’s Office to inquire about the use of electronic payment clearing funds. The audit manager stated that they were aware of other Special Districts that have established such funds and that the accounting should be completed following the guidelines from the Washington State BARS manual for payroll clearing funds. They also advised staff to speak with the King County Treasurer before setting up the fund.

Operator staff then contacted King County Executive Services and met with their staff on November 29, 2022. In attendance were the three staff from Executive Services and the PSERN Operator Finance and Admin Services Manager. The proposal was discussed and was agreed to be viable approach to making ACH payments in the absence of the county’s ability to do so. Executive Services staff also stated that “the County’s attorneys have previously taken the position that the PSERN Operator is not obliged to use County treasury services, but they can choose to. This gives them flexibility not available to most Special Districts.”

The following flowchart was shared and King County staff present approved of the proposed solution.



*Resolution 23-02 Authorizing the Executive Director to Delegate Certain Matters Including Signing Authority*

The following documents address procurement and purchasing-related approvals for the PSERN Operator:

- The PSERN Operator Interlocal Cooperation Agreement and Articles of Incorporation state that the Executive Director shall, “consistent with applicable budget and procurement policies adopted by the Board, approve expenditures and sign contracts in amounts as established by the Board of Directors without additional approval of the Board of Directors.”
- The PSERN Operator Procurement policy Section 4.0 specifies Authorization Amounts and Signature Requirements.

The Procurement Policy provides for ongoing delegation of approval authority for purchases below \$50K to the Finance and Admin Services Manager and other department heads. However, for purchases above \$50K it states “that the Executive Director or designee may authorize procurement of A&E Services, Goods, other Services, or Public Works with an estimated value of \$50,000 or more, and the Executive Director or designee has authority to sign these procurements when signature is required.” No procedure for such designation has been defined or approved.

In addition, there will also be agreements that need to be executed that don’t involve procurement and therefore are not covered by the Procurement Policy. Examples would include leases, sub-leases, permits, licenses and user agency Service Level Agreements. A procedure for delegation of authority for execution of these types of agreements is also required.

Resolution 23-02 establishes a formal procedure for the Executive Director to delegate procurement approval and authority to execute certain contracts, agreements, and other documents in their absence. This will allow the PSERN Operator to maintain efficient, consistent and timely operations in the absence of the Executive Director.

**RECOMMENDATION:**

In order to establish a clearing account from which to make electronic payments to vendors and suppliers, it is requested that the Board of Directors approve the following:

- Resolution 23-01 Establishing a Bank Clearing Fund for the Purpose of Processing Electronic Payments

In order to ensure that the PSERN Operator maintains uniform, efficient and timely operations in the absence of the Executive Director, it is requested that that the Board of Directors approve the following:

- Resolution 23-02 Authorizing the Executive Director to Delegate Certain Matters Including Signing Authority

**SUPPORTING DOCUMENTATION:**

**Appendix A: King County Cash Management Services Agreement**

**Appendix B: Resolution 23-01 Establishing a Bank Clearing Fund for the Purpose of Processing Electronic Payments**

**Appendix C: Resolution 23-02 Delegation of Signing Authority**

**Appendix A**

**KING COUNTY CASH MANAGEMENT SERVICES AGREEMENT**

THIS AGREEMENT is made and entered into this day by and between King County, a home rule charter county in the State of Washington and the PSERN Operator, a governmental agency formed under the Puget Sound Emergency Radio Network Operator Interlocal Cooperation Agreement and chapter 39.34 RCW (hereinafter referred to as the "Operator").

WHEREAS, the King County Treasurer has authority to manage funds that are in his or her possession in accordance with Chapter 36.29 RCW; and

WHEREAS, the Operator has authority to manage funds that are in its possession in accordance with its applicable statutory authority; and

WHEREAS, the Operator participates in the King County Investment Pool pursuant to a separate Investment Pool Agreement; and

WHEREAS, the Operator has requested King County to provide cash management services to the Operator, as set forth in this Agreement.

NOW, THEREFORE, in consideration of the terms and provisions set forth herein, it is agreed by and between the Operator and King County as follows:

**I. SCOPE OF WORK**

1. By entering into this Agreement, the Operator requests that King County provide cash management services for all of the Operator funds that are invested in the King County Investment Pool. Cash management services shall be separate from the services provided by King County pursuant to the Operator's Investment Pool Agreement. Cash management services shall also be separate from the services provided under King County's banking agreement in which the Operator pays for its portion of separately invoiced banking services. Cash management services that shall be provided by King County include, but are not limited to: (a) conducting daily sweeps of the Operator's cash balances using Zero Balance Accounts and automatically investing such balances in the King County Investment Pool, as specified in Section I(2) below; (b) crediting Operator bank deposits on date of deposit without regard to check float; (c) for entities that issue their own warrants, charging Operator funds when warrants clear rather than when issued; (d) paying Operator warrants despite inadvertent negative balances of the Operator; (e) executing wire and ACH payment requests by the Operator; and (f) distributing property taxes in a manner that ensures the Operator receives its statutory share of the taxes on the same day the taxes are recorded as paid in King County's property based system records.

2. All Operator funds designated for cash management services following the effective date of this Agreement, including but not limited to interest earnings on Operator funds invested in the

King County Investment Pool, shall be automatically and fully invested in the King County Investment Pool. The Operator warrants that consistent with RCW 36.29.020, any such funds which the Operator will automatically invest in the Investment Pool pursuant to this Agreement are not required for the Operator's immediate expenditure.

3. The Operator agrees to pay to King County a variable fee for providing cash management services based on the average cash balance of the funds designated for cash management services and the overall performance of the King County Investment Pool. The fee shall be paid and collected in arrears in monthly deductions from the Operator's interest earnings or paid directly from the Operator funds held in the King County Investment Pool, as specified by King County. King County shall determine the Operator's Monthly Fee Rate using the following formula: **1.5%** multiplied by the investment pool rate of return for the month. The resulting figure is converted to basis points. The Monthly Fee Rate shall not exceed 8 basis points, regardless of the investment pool rate.

4. King County shall calculate the amount of the Operator's Monthly Fee in accordance with the following formula: the Monthly Fee Rate multiplied by the Operator's monthly average fund balance designated for cash management services, multiplied by the number of days in the month divided by the number of days in the year. For example, if the investment pool rate of return for the month is 2%, the Monthly Fee Rate will be .03% (.015 x .02). A fund with a \$1,000,000 monthly average balance would pay \$25.48 in a 31-day month ( $\$1,000,000 \times .0003 \times 31/365$ ). The dollar amount of the preceding calculation is capped at the equivalent of 8 basis points.

## **II. KING COUNTY IS INDEPENDENT CONTRACTOR**

In providing services under this Contract, King County is an independent contractor, and neither it nor its officers, agents or employees are employees of the Operator for any purpose.

## **III. ADMINISTRATION**

This Agreement shall be administered on behalf of King County by the King County Treasury Manager or his or her designee. This Agreement shall be administered on behalf of the Operator by **Michael Webb** or their designee.

## **IV. TERM OF AGREEMENT**

This Agreement shall be effective on the date it is executed. This Agreement is ongoing until either party terminates per Section VI below.

## **V. AMENDMENTS**

No amendment to this Agreement shall be binding unless agreed to in writing by each party.

## **VI. TERMINATION**



Either party may terminate this Agreement upon at least 90 days written notice. Termination is effective on the first business day of a month that falls at least 90 days after written notification.

**VII. ENTIRE AGREEMENT**

This Agreement is the complete expression of the terms hereto and any oral representation or understandings not incorporated herein are excluded. Any modifications to this Agreement shall be in writing and signed by both parties. Waiver of any default shall not be deemed to be a waiver of any other or subsequent breach and shall not be construed to be a modification of the terms of this Agreement unless stated to be such through written approval by the County, which shall be attached to the original Agreement.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed this \_\_\_\_ day of \_\_\_\_\_, 2022.

**KING COUNTY**

\_\_\_\_\_  
Ken Guy, Finance Director

\_\_\_\_\_  
Dated

**OPERATOR**

PSERN Operator

\_\_\_\_\_  
Michael Webb, Executive Director

\_\_\_\_\_  
Dated



---

**RESOLUTION NO. 23-01**

**A RESOLUTION OF THE PSERN OPERATOR  
BOARD OF DIRECTORS ESTABLISHING A BANK CLEARING FUND FOR THE PURPOSE  
OF PROCESSING ELECTRONIC PAYMENTS.**

---

**WHEREAS**, pursuant to the terms of the Puget Sound Emergency Radio Network Operator Interlocal Cooperation Agreement (the “Operator ILA”), the Puget Sound Emergency Radio Network Operator (the “PSERN Operator”) is authorized to manage funds that are in its possession in accordance with state law; and

**WHEREAS**, the PSERN Operator participates in the King County Investment Pool pursuant to an Investment Pool Agreement with King County (the “County”); and

**WHEREAS**, the County provides cash management services to the PSERN Operator pursuant to the terms of a King County Cash Management Services Agreement (the “Agreement”); and

**WHEREAS**, the Agreement contemplates that the PSERN Operator may request wire and ACH payments be made on its behalf. The County, however, is unable to directly facilitate such payments at this time; and

**WHEREAS**, in order to facilitate the orderly handling of wire, EFT, ACH and other electronic payments, the PSERN Operator now desires to open a clearing fund/account with U.S. Bank as provided herein;

**NOW, THEREFORE, BE IT RESOLVED** by the PSERN Operator Board of Directors as follows:

**Section 1.** The PSERN Operator is hereby authorized to open clearing funds/accounts with U.S. Bank, as necessary, in order to make wire, EFT, ACH and other electronic payments as contemplated in the Agreement. The PSERN Operator Executive Director and Finance and Administrative Services Manager are each, acting individually, authorized and directed to execute such documents and take such action as needed to establish such funds/accounts. All actions taken pursuant to the authorization provided for in this resolution are hereby ratified and confirmed.

**Section 2.** If any portion of this resolution is declared unconstitutional or invalid for any reason, such decision shall not affect the validity of the remaining portions of the resolution.

**Section 3.** This resolution shall take effect immediately upon its passage.

**ADOPTED** at the regular meeting of the PSERN Operator Board of Directors, this \_\_\_\_\_ day of \_\_\_\_\_ 2023.

**PSERN OPERATOR  
KING COUNTY, WASHINGTON**

\_\_\_\_\_  
[ \_\_\_\_\_ ], Chair



---

**RESOLUTION NO. 23-02**

**A RESOLUTION OF THE PSERN OPERATOR BOARD OF DIRECTORS  
AUTHORIZING THE EXECUTIVE DIRECTOR TO DELEGATE CERTAIN MATTERS  
INCLUDING SIGNING AUTHORITY.**

---

**WHEREAS**, the Board of Directors (the “Board”) of the Puget Sound Emergency Radio Network Operator (the “PSERN Operator”) establishes policies and procedures relating to PSERN Operator operations, including but not limited to procurement policies, to ensure uniform, efficient, and competitive operations; and

**WHEREAS**, the Board has authorized, and from time to time will authorize, the Executive Director to execute certain contracts, agreements, and other documents in the name of the PSERN Operator; and

**WHEREAS**, the Board now desires to provide the Executive Director the authority to delegate such signing functions under the Executive Director’s control as provided herein;

**NOW, THEREFORE, BE IT RESOLVED** by the PSERN Operator Board of Directors as follows:

**Section 1.** In the Executive Director’s absence, the PSERN Operator Finance and Administrative Services Manager is hereby authorized to execute all checks, purchase requisitions, contracts, agreements and documents as necessary, subject to any written limits set or instructions given by the Executive Director. Such delegated authority shall be limited to policies and procedures, including financial limits set forth in procurement policies, and/or other instructions as provided by the Board.

In the Executive Director and the Finance and Administrative Services Manager’s absence, the Executive Director may designate any Department Head to execute all checks, purchase requisitions, contracts, agreements and documents as necessary, subject to any written limits set or instructions given by the Executive Director. Such delegated authority shall be in writing, filed with the Chair of the Board, and limited to policies and procedures, including financial limits set forth in procurement policies, and/or other instructions as provided by the Board.

**Section 2.** If any portion of this resolution is declared unconstitutional or invalid for any reason, such decision shall not affect the validity of the remaining portions of the resolution.

**Section 3.** This resolution shall take effect immediately upon its passage.

**ADOPTED** at the regular meeting of the PSERN Operator Board of Directors, this \_\_\_\_\_ day of \_\_\_\_\_ 2023.

**PSERN OPERATOR  
KING COUNTY, WASHINGTON**

---

# PSERN Board of Directors Staff Report

## Agenda Item #9



**Title:** Operational Support Agreement  
**Meeting Date:** February 23, 2023  
**PSERN Staff Contact:** Michael Webb, Executive Director  
**Action:** Discussion

---

### **SUMMARY:**

This report provides an overview and description of the proposed Operational Support Agreement between the County and the PSERN Operator. The next steps and timeline for execution of the agreement are also provided.

### **BACKGROUND**

The revised PSERN Project schedule presented at the September 2022 Joint Board meeting shows the completion of radio deployment and user transition in June 2023 and Full System Acceptance (FSA) in December 2023. At the September 2022 Operator board meeting, a staff report discussed the considerations and alternatives for re-defining the date of operational transfer to the PSERN Operator and ensuring its financial sustainability, given the changes to FSA date.

Previous PSERN Operator startup spending and staffing plans forecasted that the majority of the \$3.05M in startup funding allocated to establish the Operator would be spent by the end of June 2023, which was the previous planned FSA date. Recent work on updating the staffing and spending plan is showing that approximately \$517K startup funds will be available at the end of June 2023, as staffing ramp-up will be slower than earlier projections.

However, further action is required to ensure the Operator is financially sustained from July 2023 until the point it starts collecting service fees in January 2024, after FSA. If no action is taken, there would be a six-month period in which the Operator has staffing and administrative expenses, but no income to offset them. Available startup funds will be exhausted in less than 2 months.

In addition, the PSERN Project and Operator need to ensure that the network and its users are properly supported during this period. The Operator is planning to be fully staffed by the end of June 2023, which includes transitioning significant numbers of staff from the PSERN Project and KCERCS technical teams. A significant number of Project staff positions are planned to end after user agency transition is complete, which will result in the Project not having the staff needed to support the network between July and December 2023. Fully staffing the Operator organization by July will ensure required operational service levels are achieved once user transitions are complete and provide certainty for transitioning staff, which should help manage attrition.

The Operator Board provided direction at the September meeting that the preferred approach to funding the Operator and addressing the operational support requirements involves the Project subcontracting the Operator to provide operational support of PSERN. All assets and agreements associated with the PSERN Project would continue to transfer to the Operator at FSA. PSERN service fee collection would then commence after the agreement expires in January 2024.

A description of the services to be provided under the proposed agreement, consistent with the

information provided below, has been provided to the King County Prosecuting Attorney's Office (PAO) for inclusion in a draft agreement.

Legal drafting of an operational support agreement between the County and the Operator is underway and forecast to be completed in time for the March meeting. An estimate of the costs involved and the method of reimbursement for those costs has been developed and is provided below.

A complete draft of the agreement is expected to be available in late February. At that point, it will be reviewed by the PSERN Operator's legal counsel (Pacifica) and any feedback provided to the PAO for potential updates.

Assuming the draft has been reviewed and agreed by both sides in time for the March board meeting, it will come forward to both the Project Joint board and the Operator for approval in March. It has been confirmed that this agreement will not need to go to King County Council for their approval.

A forecast cost of \$2.9M for operational support services has already been included in the PSERN Project budget. Personnel costs for the transitioning King County RCS radio technicians will be funded from KCERCS service fees (estimated \$560K) until the end of 2023. As a result of this change and additional updates to operating cost estimates, the Project's estimated cost has been reduced to \$2.1M.

#### **ISSUES:**

To ensure the drafting and execution of the operational support agreement proceeds in a timely manner, the Board should consider the following issues:

**Issue #1: What would be included in the scope of the Operational Support Agreement?**

**Issue #2: How would the costs be determined and what is the current estimate?**

#### **ANALYSIS/DISCUSSION:**

The following analysis and discussion address the issues identified in the previous section.

**Issue #1: What would be included in the scope of the Operational Support Agreement?**

As part of the proposed agreement, the PSERN Operator would assume responsibility for most of the operational and user agency support responsibilities defined in the radio end-user and dispatch Service Level Agreements (SLAs) that have been executed between the County and the various user agencies and/or cities that are partners in PSERN.

The SLA's obligate the "Service Provider" to provide the operational support services described in the agreements. "Service Provider" is explicitly defined as the County prior to FSA and the Operator after FSA. The proposed Operational Support Agreement would effectively result in the PSERN Operator becoming the "Service Provider" prior to FSA when the agreement comes into effect.

The proposed agreement specifies the PSERN Operator will assume the following responsibilities, as defined in the SLAs:

- User equipment administration and support:
  - Archiving and ongoing maintenance of radio templates/codeplugs

- Operational support for the addition, deletion, activation and de-activation of radios
- Staffing:
  - Ensure appropriately-trained technical staff are available to provide 24X7 support
- Network operations:
  - Monitor the network for proper operation and ensure appropriate physical and logical security is maintained
  - Perform routine and manufacturer-recommended maintenance
  - Maintain the network to the standard specified in the contract and implemented by Motorola prior to FSA
  - Develop and implement Incident Management processes to ensure all network and equipment issues are responded to and resolved in accordance with SLA requirements
  - Provide 24X7 contact and escalation procedures for reporting and resolution of user agency reported incidents
  - Support Project staff in resolving warranty claims with Motorola and other contractors
  - Ensure all defective network equipment is replaced and repaired in a timely manner
  - Manage and administer all system configuration settings, including those related to talkgroups, encryption, system access priority and other applications
  - Develop and adopt a maintenance and operations plan for the network
  - Develop and implement an ongoing change management process
  - Regularly report to user agencies on performance and operational metrics
  - Ensure all network equipment and assets are appropriately inventoried and tracked
- System and equipment upgrade support:
  - Work in partnership with Project staff, Motorola and other contractors to manage the ongoing implementation and testing of system and equipment upgrades
  - Provide notifications, service impact mitigation procedures and other support to user agencies associated with planned maintenance and system upgrade activities

These services and functions are the same as those to be provided by the PSERN Operator after it assumes responsibility for the system after FSA.

**Issue #2: How would the costs be determined and what is the current estimate?**

The costs to be reimbursed to the PSERN Operator as part of this agreement include the following:

- Staffing and benefits costs for personnel assigned to the PSERN Operator.
- PSERN Operator administrative costs, including legal, insurance, financial and HR services.
- PSERN Operator operating and technical costs, including facility, transportation and IT expenses.



The required headcount for the PSERN Operator, as of July 2023 is 24. This staffing level will include staff hired by the Operator as part of its startup staffing plan and staff transitioning from the Project. This headcount will stay constant from July to December.

Of the 24 staff, 5 Electronic Communication Specialists (ECS) will be transitioning from King County RCS to PSERN as specified in the Operator ILA. It has been agreed with KCIT Finance that personnel costs for these transitioning RCS staff will be funded from KCERCS service fees<sup>1</sup> until FSA.

An estimate of costs for July – December 2023 is provided below:

Category	Monthly Cost	Total Cost (6 months)	Note
<u>Personnel Costs</u>			Total headcount = 19
• Labor, overtime, standby	\$217,370	\$1,304,222	Contracted personnel through King County
• Benefits & retirement	\$88,691	\$532,146	Contracted personnel through King County
<u>Administrative Costs</u>			
• Legal, insurance	\$2,700	\$16,200	Insurance, legal fees
• Financial, HR	\$7,093	\$42,556	Financial review consulting, HR consulting, accounting software license
• Other	\$9,142	\$54,850	King County Contracted Services (other than personnel), postage, office supplies, professional org fees
<u>Operating/Technical</u>			
• Facility expenses	\$14,661	\$87,966	Lease, utilities, janitorial
• Transportation	\$1,000	\$6,000	Vehicle expenses, mileage reimbursement
• IT expenses	\$7,044	\$42,265	Ticketing system, asset management, MS 365 licensing, network, security alarm services
• Other	\$6,682	\$40,090	Security consulting, cell phone service, professional org fees, misc. supplies
<b>TOTAL</b>	<b>\$354,382</b>	<b>\$2,126,295</b>	

The estimated funding from KCERCS for the 5 ECS positions is \$560K for the 6-month period prior to FSA. This funding would be used by the County to directly pay those costs and would not transfer to the Operator.

Forecasting, tracking and reimbursement of PSERN Operator expenses under the proposed Agreement

<sup>1</sup> The County intends to continue to collect KCERCS service fees from its users until the end of 2023.

will be required. The following approach is suggested:

- The Agreement will include a listing of expense categories to be reimbursed under the agreement and an upper limit of these costs.
- An initial forecast of these expenses, consistent with the summary provided above, will be included in the Agreement at time of execution.
- Prior to the agreement taking effect (i.e. in June), the expense forecast for the duration of the Agreement will be updated based on expected staffing levels and other adjustments.
- After the end of every month, the PSERN Operator will invoice for the month's expenses as incurred and provide an updated forecast of monthly costs to the end of the agreement.

It should also be noted that King County (PSERN Project) will continue to pay directly for PSERN infrastructure operating expenses (lease payments, vendor support costs, etc.).

The proposed agreement is expected to commence July 1, 2023 and run until the later of December 31, 2023 or the date at which FSA is achieved.

**CONCLUSION:**

The recommended approach to funding the Operator and addressing the operational support requirements involves the Project subcontracting the Operator to provide operational support of PSERN. The estimated cost for the six months from July to December 2023 is \$2.1M.

All assets and agreements associated with the PSERN Project would continue to transfer to the Operator at FSA. PSERN service fee collection would then commence after the agreement expires in January 2024.

A summary of the scope of services to be provided, an estimate of the costs to be reimbursed to the PSERN Operator and a timeline for completing the Agreement have been provided in this report.

**SUPPORTING DOCUMENTATION:**

None