



Agenda

PSERN Operator Board of Directors

Monthly Meeting (October 2022)

Location: Executive Conference Room, King County Chinook Building, 401 5th Avenue, Seattle, WA

Virtual meeting: Microsoft Teams (details below)

Date: Thursday, October 27, 2022

Time: 3:45 p.m. – 5:00 p.m. (note new start time)

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: 607 105 419#

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

Alternates: Kristin Meitzler, Mark Schmidt, Matt Morris, Brad Miyake, Shawn Hayes (King County does not have an alternate at present.)

Agenda Details:

1. Call to Order – Lora Ueland 3:45 p.m.
2. Roll Call – Tracey Doss 3:46 – 3:48 p.m.
3. Public Comment – Lora Ueland 3:48 – 3:51 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 – Lora Ueland 3:51 – 4:00 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 – Lora Ueland 4:00 – 4:05 p.m.
6. Executive Director Report – Mike Webb 4:05 – 4:15 p.m.

(Discussion)

7. Startup Spending Update – Tracy Plouse 4:15 – 4:19 p.m.

(Discussion)

8. Petty Cash Policy Approval – Tracy Plouse 4:19 – 4:25 p.m.
(Decision)
9. 2023 Operating Budget and Spending Plan – Tracy Plouse 4:25 – 4:50 p.m.
(Discussion)
10. PSERN Board of Directors Officer Report – Board Officers 4:50 – 4:57 p.m.
(Discussion)
11. Review New Action Items – Lora Ueland 4:57 – 5:00 p.m.
(Discussion)
12. Executive Session – Board Officers 5:00 – 5:10 p.m.
Review performance of a public employee as authorized by RCW 42.30.110.

Adjourn

Next Meeting: December 8, 2022

PSERN Board of Directors Agenda Item #4



Title: Consent Agenda
PSERN Operator Board of Directors Meeting Date: October 27, 2022
PSERN Staff Contact: Tracey Doss, Administrator
Action: Decision

Appendix A: Meeting Minutes from September 22, 2022

Appendix B: Payment Approval

Date	Payment Type	Amount
9/21/2022	Warrants	\$27,277.77
10/5/2022	Warrants	\$793.98
9/22/2022	Special District Journal Entry	\$73,188.89
TOTAL		\$101,260.64

MOTION: That the PSERN Operator Board approve the Consent Agenda

Appendix A: Meeting Minutes



PSERN Operator Board of Directors Meeting Minutes

Location: Executive Conference Room, King County Chinook Building, 401 5th Avenue, Seattle, WA

Date: Thursday, September 22, 2022

Time: 3:45 p.m. – 4:43 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: 607 105 419#

Attendees:

Directors: Lora Ueland (Chair), Commissioner Chris Elwell, Mark Schmidt for Chief Scoggins, Kurt Triplett, Dwight Dively, Chief Dan Yourkoski

Alternates: Kristin Meitzler

Other Attendees: Spencer Bahner, Kevin Crossen, Sean Douglas, Tracey Doss, Julia Holden, Hank Krajewski, Dino Lamanna, David Mendel, Kimberly Nuber, Tracy Plouse, Preetha Raju, Michael Webb, Ellen Whitely, Tom Wood

Agenda Details:

1. Call to Order – Lora Ueland 3:45 p.m.
2. Roll Call – Julia Holden 3:45 – 3:46 p.m.
3. Approve the Minutes – Lora Ueland 3:46 – 3:47 p.m.

MOTION: Dwight Dively made a motion to approve the minutes of the meeting held on August 25, 2022. Kurt Triplett seconded the motion. Members unanimously approved the motion.

4. Public Comment – Lora Ueland 3:47 – 3:47 p.m.
5. Action Register Review – Lora Ueland 3:47 – 3:48 p.m.

Two action items will be reviewed in today's meeting.

6. Executive Director Report – Mike Webb 3:48 – 3:50 p.m.

The work to staff the PSERN Operator (Operator) continues with four open positions posted. Work has progressed to establish separate financial accounts for the Operator. The financial accounts are set up, and the Operator staff can now pay bills. An agreement has been executed for a financial management system and work is underway to develop an implementation plan.

The lease for the Operator facility has been signed with a target occupancy date of November 1, 2022. Significant work remains to get the office ready for the staff including landlord provided improvements, transport and setup of office furniture, and installation of a wide-area network.

Upcoming Board of Directors (Board) topics for October will include a request for approval of the 2023 operating budget and service fees, and the Operator staff plan to bring forward any updates on significant procurements and financial policies which require Board approval.

At the December Board meeting, the Operator staff plan to bring forward updates on significant procurements and financial policies which require Board approval.

7. Startup Spending Update – Tracy Plouse 3:50 – 4:00 p.m.

Spending is tracking under the 2022 baseline.

An Operator account has been established with the King County Treasurer. The Operator staff issued the first warrant (check) on September 21, 2022, and will now issue its own warrants for vendor payments. Additionally, the Operator staff can now execute transfers to reimburse King County for wages, benefits, and King County services.

Setting up the Operator facility will require the purchase of office furniture. This purchase is estimated to cost more than \$50,000 which requires the approval of the Board of Directors.

MOTION:

Dwight Dively made a motion that the PSERN Operator Board authorize the Executive Director to expend up to \$100,000 for the supply, transport, assembly, and installation of office furniture under King County contract #000252 (Keeney’s Office Supply). Kurt Triplett seconded the motion. Members unanimously approved the motion.

8. Operator Transfer Date – Mike Webb 4:00 – 4:22 p.m.

The Executive Director reviewed how the change in the PSERN Project (Project) schedule impacts the Operator transfer date, which is when the Operator takes responsibility for the PSERN system and begins collecting user service fees. The revised Project schedule presented at the September 2022 Joint Board now has the completion of radio deployment and user transition in June 2023 and Full System Acceptance (FSA) in December 2023.

The current Operator startup plan utilizes \$3.5M in startup funding to fully establish the Operator by June 2023, which was the planned FSA date. The shift of FSA to December 2023 requires action to be taken to ensure the Operator is financially sustainable after June 2023 prior to the point it starts collecting service fees. With no change, there would be six months where the Operator has expenses, but no income to offset them.

The plan for operational support of the network after transition and before FSA also needs to be re-evaluated to ensure that the network is fully supported after deployment and transition are completed in June 2023. The Operator plans to complete initial staffing by June 2023, which includes transitioning some resources from the PSERN Project and KCERCS support teams. Having a fully staffed Operator team will reduce operational risks and provides certainty for transitioning staff which should help manage attrition. 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.

The Executive Director proposed shifting the Operator Transfer date from FSA to the end of radio deployment and transition in June 2023. Changing the Operator Transfer date has legal and financial implications needing additional review.

The Executive Director discussed two approaches to assign operational responsibility to the PSERN Operator and ensure it is funded before FSA. The first approach would be a two-step transfer process where most of the assets and agreements would be transferred to the PSERN Operator before FSA and service fee collection would begin. At FSA, the remaining assets, and agreements, primarily Motorola, would be transferred. The second approach involves the Project subcontracting the Operator to provide PSERN operational support. All assets and agreements would transfer at FSA and service fee collection would begin in January 2024.

Board members discussed the options that were presented. The Executive Director described what will happen between June and December 2023 including King County Emergency Radio Communication System (KCERCS) decommissioning and a PSERN upgrade. A question was raised about what might need to be changed in the Service Level Agreements (SLA) to provide the authority to collect service fees before FSA and if that could be combined with the work to update the end user SLAs with the deployed radio counts. Board members agreed that the Operator Transfer date needs to be assigned soon and remain as the date ongoing. It was recommended that the Operator minimize/avoid changes to agreements that require legislative body approval. Further assessment of the legal ramifications of the subcontracting option needs to occur. Analysis of how costs should be distributed also needs to happen.

The Board members expressed support for changing the Operator Transfer date and concurred that the subcontracting method is preferred. Additional detail will be brought back to the Board at a future meeting.

9. Procurement Policy Amendment – Tracy Plouse

4:22 – 4:26 p.m.

The Operator financial consultant, Clark Nuber PS, reviewed the previously adopted procurement policy and recommended amending the policy to add a code of ethics, allow for the establishment of rosters, and allow the use of rosters for procurements not to exceed \$50,000.

In consultation with Pacifica Law Group, it was then recommended that the Operator establish a general procedure for establishing vendor rosters for the procurement of goods. A Board resolution is required to authorize the use of rosters.

MOTION:

Kurt Triplett made a motion that the Operator Board adopt the revised PSERN Operator Procurement Policy attached in Appendix A of the Board packet. Dwight Dively seconded the motion. Members unanimously approved the motion.

MOTION:

Kurt Triplett made a motion that the PSERN Operator Board adopts Resolution 22-06 – Authorization to Establish a Vendor Roster Pursuant to RCW 39.04.190, as provided in Appendix C of the Board packet. Dwight Dively seconded the motion. Members unanimously approved the motion.

10. 2023 Operating Budget and Rate Setting Update – Tracy Plouse

4:26– 4:39 p.m.

Key components of the budget process were reviewed including the cost allocation method, the rate stabilization fund, and the timing for the collection of operating reserves. At the Board's request, the budget assumption regarding cost escalation was modified to use the Consumer Price Index- W resulting in a 5% increase in 2023 and a 4% increase in the following years.

There are two major variables impacting the budget scenarios, the rate stabilization fund allocation method, and the timeframe to begin collecting operating reserves. The options for allocating the rate stabilization funds are to use the original allocation method or use a “smoothing” method where year-to-year rate increases are equal. Operating reserves are planned to either start in 2024 or 2025.

A baseline scenario was presented which included no operating reserves or rate stabilization funds. Four other scenarios were reviewed, each with a different combination of the operating reserve timeline and rate stabilization fund variables. The resulting rates based on these scenarios were also presented.

It was noted that rate stabilization fund distribution will need to change if service fees are not collected in 2023 due to the earlier discussed Project schedule changes, but the same methodology would still apply. There was a discussion that the rate stabilization smoothing method has minimal impact on the rates and that the real difference is when operating reserves are collected. Opinions were shared that it may not be necessary to collect reserves in 2024. Members also noted that it is important to honor the promise to smooth rate increases for user agencies.

Consultation with other groups about the scenarios may not be feasible given the timeline to approve the budget in October 2022. In the future, there may also be Project surplus funds available which may present different options. The Operator Transfer date decision will also likely impact the budget scenarios and the Operator staff will assess the impacts and bring information back to the Board for review.

11. 2023 Board Meeting Schedule – Tracy Plouse

4:39 – 4:41 p.m.

MOTION:

Dwight Dively moved that the PSERN Operator Board adopt Resolution 22-05 – Resolution Approving the Regular Meeting Schedule of the Puget Sound Emergency Radio Network (PSERN) Operator board of Directions as found in the Appendix of the board report. Mark Schmidt seconded the motion. Members unanimously approved the motion.

12. PSERN Board of Directors Officer Report – Board Officers

4:41 – 4:42 p.m.

No updates.

13. Review New Action Items – Lora Ueland

4:42 – 4:42 p.m.

- 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 meetings.

- Operator staff will bring forward additional information on the alternatives to modifying or setting the Operator Transfer date and the associated funding requirements and approaches.

14. Executive Session – Lora Ueland

No Executive Session was held.

Meeting adjourned at 4:43 p.m.

Next Meeting: October 27, 2022

Appendix B: Payment Approval

Accounts Payable Warrant Register Report

Report ID AP_RPRT_173
 Run Date 9/21/2022 10:59:37 AM
 Page 1 of 1
 Instance Name ECPROD

Invoice Batch Name AP_PSERNAP_APSUPINV_20220919125442

Fund 230020010

Payee	Invoice Num	Invoice Date	Invoice Amount	Fund Charge	Warrant #	Total Warrant Amount	Payment Date
CASELLE INC.	DEPOSIT TO BEGIN WORK	13-Sep-2022	7,850.00	7,850.00	9995598	7,850.00	21-Sep-2022
PACIFICA LAW GROUP LLP	77888	08-Sep-2022	5,290.50	5,290.50	9995599	5,290.50	21-Sep-2022
WFT COMPANY TWO LLC	SECURITY DEPOST E-102	19-Sep-2022	14,087.27	14,087.27	9995600	14,087.27	21-Sep-2022
Total for Fund 230020010			27,227.77	27,227.77	Warrant Count: 3	27,227.77	

Grand Total Invoice Amount: 27,227.77 Fund Charge: 27,227.77 Warrant Count: 3 Warrant Amount: 27,227.77

Accounts Payable Warrant Register Report

Report ID AP_RPRT_173
 Run Date 10/5/2022 11:44:30 AM
 Page 1 of 1
 Instance Name ECPROD

Invoice Batch Name AP_PSERNAP_APSUPINV_20221005090838

Fund 230020010

Payee	Invoice Num	Invoice Date	Invoice Amount	Fund Charge	Warrant #	Total Warrant Amount	Payment Date
ENDURIS WASHINGTON	R23-673-2	09-Aug-2022	459.00	459.00	9997372	459.00	05-Oct-2022
JOHN GREENE	GREENE REIMBURSEMENT	04-Oct-2022	334.98	334.98	9997373	334.98	05-Oct-2022
Total for Fund 230020010			793.98	793.98	Warrant Count: 2	793.98	

Grand Total Invoice Amount: 793.98 Fund Charge: 793.98 Warrant Count: 2 Warrant Amount: 793.98

SPECIAL DISTRICT JOURNAL ENTRY FORM



Department of Executive Services
Finance & Business Operations Division
 Financial Management Section
 ADM-ES-0653
 500 4th Ave
 Seattle, WA 98104
 GL.OracleEBS@kingcounty.gov

Please complete the form, print, sign, scan a copy and send it to GL.OracleEBS@kingcounty.gov.

ACCOUNT INFORMATION

Ledger Category Source
 Currency Accounting Date (MM/DD/YYYY)

REQUESTOR INFORMATION

Line	Fund (9 digits)	Project (7 digits)	Cost Center (6 digits)	Account (5 digits)	Bars (7 digits)	Future (5 digits)	Disbursement (Enter Amount)	Receipt (Enter Amount)	
1	230020011	0000000	000000	24219	0000000	00000	\$ 73,188.89		
2	000001511	0000000	000000	34283	0000000	00000		\$ 73,188.89	
3		0000000	000000		0000000	00000			
4		0000000	000000		0000000	00000			
5		0000000	000000		0000000	00000			
6		0000000	000000		0000000	00000			
Note: Amounts must be positive numbers. The total debit must equal the total credit.							Total	\$ 73,188.89	\$ 73,188.89

Explanation/Description

August 2022 Invoice Payment - King County Reimbursement

CONTACT INFORMATION

Contact Name Organization
 Email Phone # Ext

AUTHORIZATION

Approved by Title Date
 Print Name Phone # Email

FOR OFFICIAL USE ONLY

Date Entered Entered By Document #



Board of Directors Action Log – Open Items

Date Opened	Item	Person Responsible	Deadline for Completion	Notes
3/24/22	2023 budget and service fee development	Mike Webb/Tracy Plouse	10/31/22	Target early draft by August board meeting.
3/24/22	Sublease agreement template for radio sites drawn up for further discussion	Mike Webb	TBD	Will revisit in 1Q 2023.
9/22/22	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 meetings.	Mike Webb/Tracy Plouse	10/28/22	Will be incorporated as part of consent agenda starting with October meeting.
9/22/22	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	12/8/22	A recommendation and supporting information will be provided in a report at the December meeting.



Board of Directors Action Log - Closed Items & Archive

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

PSERN Board of Directors Staff Report

Agenda Item #6



Title: Executive Director Report – October 2022
Meeting Date: October 27, 2022
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 September 2022 meeting.

ANALYSIS:

PSERN Project to Operator Transfer

- A report was presented at the September meeting addressing timing and considerations for transfer of PSERN operational responsibility to the PSERN Operator.
- The report indicates it will be very difficult to commence PSERN service fees prior to FSA in December 2023, due to the language in the existing SLA and ILA agreements.
- As a minimum, the following issues need to be considered and addressed related to transfer to the Operator:
 - The PSERN Operator is in the process of implementing the staffing, processes and tools to support the network and users once the network is operational.
 - The PSERN Operator will require additional funding for the second half of 2023, once it exhausts currently allocated startup funding.
- A separate agreement is likely needed between the County and the Operator to address operational support responsibilities and the associated funding.

2023 Operating Budget and Service Fee Development

- A separate report (agenda item 9) has been provided on the 2023 Operating Budget and Service Fee development.
- This is providing an estimate of the funding required for the PSERN Operator in the second half of 2023 and the potential sources of that funding, assuming no PSERN service fees will be collected until 2024.

Transfer Agreement

- Project and King County staff are working on a draft agreement for the transfer of all PSERN assets and agreements to the PSERN Operator, to be effective at FSA.
- Once the draft agreement has been received, it will be provided to Pacifica (PSERN Operator legal counsel) for their review and feedback.
- The expected timing for bringing this draft agreement to the Operator board for its review is the December 2022 meeting.

Staffing/Hiring

- Interviews have been held and preferred candidates identified for the following positions:
 - Technical Operations Manager
 - Radio Operations Supervisor
 - Administrative Specialist II
- KCIT HR is currently working on offers for these three positions.
- A Special Assignment is being processed by KCIT HR to enable an existing Project staff member to also take on some of the responsibilities of the PSERN Administrator position on an interim basis.
 - Assuming this is successful, processing of a requisition to fill that position will be deferred.
 - The requirements for that position will be further reviewed and assessed prior to re-initiating the requisition.
- The Fiscal Specialist position posting did not result in any suitable applicants and so the classification is being revised and the position will be re-posted.

Financial Startup

- A proposed Petty Cash policy is being brought forward for approval under agenda item 8.
- Work is underway to implement the PSERN Operator's financial management system:
 - Completion date is being discussed with the system vendor.
 - In the meantime, financial reports are being generated manually.

Records Management

- Work continues to migrate PSERN Operator documents into a dedicated Sharepoint environment.
- Development of a draft records management policy/procedure for the Operator is an outstanding work item that will recommence when additional administrative staff are available.

Workspace/Facility

- Occupancy at the new facility is expected in the first or second week of November 2022:
 - Landlord renovations and improvements are underway
 - A low-voltage cabling vendor has been selected and agreement executed
 - Furniture sourcing, including relocation of PSERN Project furniture from the Yesler building, is underway
 - KCIT is processing orders for network connectivity
 - Arrangements for additional network connectivity (administrative internet, radio network connections) are being finalized.
- The PSERN Project is planning to start using the new facility to support radio deployment around the beginning December 2022.

Upcoming Board Meeting Topics

- Topics expected to be brought forward over the next 3 board meetings include the following:
 - December 2022:
 - Election of Board Chair and Vice Chair for 2023 and beyond.
 - Draft Transfer Agreement for consideration, including legal counsel assessment/input.
 - Report outlining considerations and recommendations for an operational support and funding agreement between the County and the PSERN Operator to cover July-December 2023.
 - Update and/or approval of significant procurements, as required.
 - Approval of financial/administrative policies, as required.
 - January 2023:
 - Update of Board of Directors' workplan.
 - Update and/or approval of significant procurements, as required.
 - Approval of financial/administrative policies, as required.
 - February 2023:
 - 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 September.

SUPPORTING DOCUMENTATION:

None

PSERN Operator Board of Directors

Staff Report - Agenda Item #7



Title: Startup Spending Update – October 2022
Meeting Date: October 27, 2022
Staff Contact: Tracy Plouse, Finance Manager
Action: Discussion

SUMMARY:

This report provides an update on PSERN Operator startup expenditures to the end of August 2022, and a forecast of expenditures to the end of June 2023, the point at which the PSERN Operator is currently planned to assume operational responsibility.

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 (for administrative startup).
- 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. An additional table was added to this report beginning with the June 2022 report.

The Operator established a fund with the King County Treasurer after the July 2022 Board's approval of the King County cash and investment management agreements. The Finance Manager has obtained access to the King County accounts payable system for issuing warrants and KCIT Finance initiated the transfer of the technical startup funds. The Operator now has all startup funds in its account. The Operator began issuing warrants in September 2022 as seen in the Consent Agenda Appendix B.

Starting with August 2022, the PSERN Operator reimburses the PSERN Project 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 Project. For the month of September 2022, the invoice included wages, benefits, King County services, and administrative office expenses.

DISCUSSION/ANALYSIS:

Appendix A provides a summary of the Year-to-Date spending of the PSERN Operator as of the end of September 2022. Spending to date is currently on-track and/or below the estimates provided in the baseline spending plan. Beginning with the October 2022 Startup Spending Plan Board Report the Admin Startup and Tech Startup budgets will be combined into one report.

The following notes apply:

- The 2023 forecast covers the 6 month period ending June 30, 2023. The PSERN Operator is not currently funded to cover staffing and operational expenses after that date.
- Expenditures for the PSERN Operator facility in Kent will be ramping up in October and November. Those amounts will be reflected in the December report.
- The majority of expenditures to date are staffing and benefits, with small expenditures for legal services, King County IT services, financial consulting services, and financial software.
- 2022 expenditures will not meet the currently-forecasted amounts primarily due to a delay in staffing and the associated wages and benefits amounts.
- A comprehensive reforecasting of expenditures, including the consolidation of the two reports, will be undertaken by staff and presented at the December or January meeting. This has not been completed to date due to the uncertainty of hiring dates. It is expected that the entire amount of Admin and Tech startup funds will be expended by June 2023. Expenditures currently forecast in 2022 will be pushed into 2023, as staffing ramps up.

CONCLUSION

This report provided an update on administrative and operational startup expenditures to the end of September 2022 and a forecast of expenditures to the end of June 2023. Spending to date is currently on-track or below the estimates provided in the baseline spending plan.

SUPPORTING DOCUMENTATION:

Appendix A: PSERN Operator Spending (Year-to-Date and Forecast) – September 2022

A summary of expenditures to end of September 2022 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.

The format of presentation will be revised for the December update to show consolidation of the two funding categories (Admin and Tech Startup).

Admin Startup Funding									
Item	2021 (actual)	2021 (baseline)	2022 (YTD)	2022 (forecast)	2022 (baseline)	2022 (variance)	2023 (forecast)	Total Startup (forecast)	TOTAL Startup Budget
Salary & Benefits	\$ 46,308	\$ 39,724	\$ 323,054	\$ 694,506	\$ 667,800	\$ 26,706	\$ 567,893	\$ 1,308,706	\$ 1,049,500
Insurance	3,488	3,488	3,489	3,500	5,000	(1,500)	2,000	8,988	10,000
King County Services			-			-		-	
<i>HR, IT Support, Office Lease</i>	7,506	7,355	20,406	54,165	54,200	(36)	30,556	92,226	91,500
Consulting Services			-			-		-	
<i>Legal Services</i>	6,766	6,766	19,870	32,000	86,400	(54,400)	55,000	93,766	122,000
<i>Financial Advisory</i>			55,000	60,000	60,000	-	30,000	90,000	90,000
<i>Security/ Other Consulting</i>			-	25,000	50,000	(25,000)	50,000	75,000	80,000
Office/Administrative Expenses			3,268	18,900	12,900	6,000	37,100	56,000	21,000
Transportation Expenses			-	2,310	6,500	(4,190)	1,155	3,465	9,800
PSERN-Specific IT Systems			-			-		-	
<i>Financial/Accounting</i>			7,850	20,728	37,700	(16,972)	10,056	30,784	54,200
<i>Asset Management</i>			-	45,000	54,300	(9,300)	16,000	61,000	70,300
<i>Service Management</i>			-	-	6,000	(6,000)	18,000	18,000	15,000
IT Equipment (all staff)			-			-	70,400	70,400	79,400
Vehicle Fit-Out			-			-	-	-	142,000
Technician Tools/Equipment			-			-	-	-	12,800
TOTAL	\$ 64,067	\$ 57,333	\$ 432,936	\$ 956,108	\$ 1,040,800	\$ (84,692)	\$ 888,160	\$ 1,908,335	\$ 1,847,500
TOTAL Startup by Year	\$ 64,067	\$ 57,333		\$ 956,108			\$ 888,160	\$ 1,908,335	\$ 1,847,500
Tech Startup Funding									
Item	2021 (actual)	2021 (baseline)	2022 (YTD)	2022 (forecast)	2022 (baseline)	2022 (variance)	2023 (forecast)	Total Startup (forecast)	TOTAL Startup Budget
Salary & Benefits			\$ -	\$ 103,156	\$ 267,285	\$ 164,129	\$ 691,478	\$ 794,634	\$ 815,895
Insurance			-	600	600	-	2,400	3,000	2,400
King County Services			-			-		-	-
<i>Services/non-labor costs</i>			-	4,903	13,075	8,172	33,092	37,995	41,075
Other Office Costs			-			-			
<i>Tenant Improvements</i>			-	200,000	200,000	-	-	200,000	278,000
<i>Office Lease & Utilities</i>			14,087	28,000	39,000	11,000	84,000	112,000	-
<i>Vehicle Lease & Operating</i>			-	3,275	3,275	-	19,650	22,925	55,250
<i>Vehicle Acquisition & Fuel</i>			-	3,638	5,288	1,651	32,025	35,663	-
<i>Travel, Training, Misc Supplies</i>			335	4,000	4,000	-	10,000	14,000	14,000
<i>Cell Phones</i>			-	450	1,200	750	2,925	3,375	3,675
TOTAL			\$ 14,422	\$ 348,021	\$ 533,723	\$ 185,702	\$ 875,569	\$ 1,223,591	\$ 1,210,295
TOTAL Startup by Year				\$ 348,021			\$ 875,569	\$ 1,223,591	\$ 1,210,295

PSERN Operator Board of Directors

Staff Report - Agenda Item #8



Title: PSERN Petty Cash Policy and Procedure
Meeting Date: October 27, 2022
Staff Contact: Tracy Plouse, Finance & Admin Services Manager
Action: Discussion/Decision

SUMMARY AND BACKGROUND:

This report presents a petty cash policy for Board approval. PSERN requires working funds that are available for incidental items for which issuing a check or using a purchasing card is not always feasible for purchases under \$100.00.

ANALYSIS/DISCUSSION:

The Washington State Auditor's Office's BARS Manual *Section 3.8.8.20, Controls*, states that the following are minimum expected controls for revolving funds:

- The governing body must authorize each revolving fund in the manner that local legislation is officially.
- The governing body or its delegate must appoint one custodian of each petty cash account.
- On at least monthly basis, the fund should be reconciled to the authorized balance.
- For funds on hand, the custodian must ensure cash is kept in a secured place, such as a locked drawer or box.
- Whenever disbursements are made, the fund must be replenished at least monthly by warrant or check. The replenishment should be subject to the same review and approval as processed invoices. The receipts should show the date, recipient, purpose, and amount of each cash disbursement. These receipts must be signed by the person receiving the money.
- Revolving funds are public funds and may never be used for personal cash advances, loans or expenditures.

Washington State's Revised Code of Washington RCW 42.26.060 states the following:

Restrictions on use of petty cash account—Expenditures—Reimbursement.

The use of the petty cash account shall be restricted to miscellaneous petty or emergency expenditures, refunds legally payable by an agency, and for cash change to be used in the transaction of the agency's official business. All expenditures made from petty cash shall be charged to an existing appropriation for such purpose, except expenditures chargeable against funds for which no appropriation is required by law. All expenditures or refunds made from petty cash shall be reimbursed out of and charged to the proper appropriation or fund at the close of each month and such other times as may be necessary.

The proposed Petty Cash Policy and Procedure and associated resolution are attached as Appendices A and B, respectively. These documents satisfy the requirements stated above by Washington State Auditor's Office and Washington State law. The petty cash funds will be stored in a locked box within the safe at the PSERN facility.

RECOMMENDATION:

It is recommended that the Board vote to approve the adoption of the PSERN Petty Cash Policy and Procedure and Resolution 22-04 as shared in the meeting material packet.

The Operator Board is being requested to approve the following motions:

MOTION: That the PSERN Operator Board adopt the PSERN Petty Cash Policy and Procedure provided in Appendix A.

MOTION: That the PSERN Operator Board pass Resolution 22-04 Establishing a Petty Cash Fund.

REFERENCE DOCUMENTS:

- Appendix A - PSERN Operator Petty Cash Policy and Procedure
- Appendix B – Resolution 22-04 Establishing a Petty Cash Fund

Appendix A

**PUGET SOUND EMERGENCY RADIO NETWORK
PSERN OPERATOR
PETTY CASH POLICY AND PROCEDURE**

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1.0 PURPOSE

To provide PSERN Operator employees a fund which can be used for minor cash disbursements. The petty cash is restored to its original amount by a check drawn and charged to the applicable operating fund. The amount of the check should equal the aggregate of the disbursements. The fund may not be used for personal cash advances even if secured by check or other I.O.U.s.

2.0 RESPONSIBILITIES

The PSERN Operator Finance and Administrative Services Manager or designee is appointed custodian of the petty cash fund authorized by Resolution 22-04 . The custodian is responsible and shall render a receipt for the replenishment amount to Accounts Payable authorized by the Finance Director for reimbursement. The fund will be audited periodically to assure cash controls and receipts are in place.

3.0 GOVERNING LAWS

This policy is governed by the relevant laws of the State of Washington; relevant federal laws, and any additional federal or grant requirements when applicable. When a conflict occurs, unless otherwise required by applicable law, the stricter of the law, rule or regulation, prevails. This policy does not create any enforceable rights or causes of action in third parties.

4.0 PROCEDURES

A Petty Cash Log shall be maintained for all transactions. The form shall be completed by the custodian and indicate to whom the funds were paid, the purpose of the funds, and how much was paid.

A Petty Cash Request form shall be completed for reimbursement. The receipt must be signed by the person receiving the money and attached to the request.

When the fund needs to be replenished, receipts and the petty cash log shall be forwarded to Accounts Payable for reimbursement. A warrant will be issued to replenish the fund up to the amount of the validated receipts. The total allocation for the Petty Cash Fund has been authorized in the amount of \$150.00. There is a limit of \$100.00 per transaction.

The Fund will be audited periodically to ensure controls are in place. The custodian should ensure the petty cash is kept in a safe place.

PSERN will list the authorized amount of petty cash in the monthly balance sheet.

5.0 ATTACHMENTS

- a. Petty Cash Log
- b. Petty Cash Request

PETTY CASH REQUEST

DATE:

NAME:

PURPOSE (ITEM):

AMOUNT RECEIVED: \$

SIGNATURE

SIGNATURE (PETTY CASH CUSTODIAN)

RECEIPT ATTACHED (CHECK): ()



RESOLUTION NO. 22-04

RESOLUTION ESTABLISHING A PETTY CASH FUND

WHEREAS, Puget Sound Emergency Radio Network (PSERN) requires working funds available for incidental items such as cleaning supplies, postage, and office supplies; and

WHEREAS, issuing a check or using a purchasing card is not always cost effective for purchases under \$100.00.

NOW, THEREFORE, LET IT BE RESOLVED THAT THE BOARD OF DIRECTORS OF THE PSERN OPERATOR DOES RESOLVE AS FOLLOWS:

1. The Board does hereby declare and appoint the Finance and Administrative Services Manager as custodian of the Petty Cash fund. All disbursements to the Petty Cash account must be authorized by the Finance and Administrative Services Manager or designee.
2. The Board does hereby declare and authorize the Petty Cash fund for PSERN be established in the amount of \$150.00 and the authorized amount is to be included on the monthly balance sheet. Individual petty cash transactions shall not exceed \$100.

ADOPTED at the regular meeting of the PSERN Operator Board of Directors, this 27th day of October 2022.

**PSERN OPERATOR
KING COUNTY, WASHINGTON**

Lora Ueland, Chair

PSERN Operator Board of Directors

Staff Report - Agenda Item #9



Title: 2023 PSERN Operating Budget and Rate Setting
Meeting Date: September 22, 2022
Staff Contact: Tracy Plouse, Finance & Admin Services Manager
Action: Discussion/Decision

SUMMARY:

This report presents a draft spending plan for the last six months of 2023. Given the delay of Full System Acceptance (FSA) and the assumption that PSERN service fee collection will not begin until January 1, 2024, this report discusses the financial requirements for the Operator to remain fully operational until FSA.

BACKGROUND:

As a result of changes to the FSA date it is anticipated that the Operator will begin collecting service fees on January 1, 2024, rather than July 1, 2023. The startup funding requirement previously discussed in the January, April and May 2022 reports assumes the PSERN Operator begins to collect service fees as of July 1, 2023.

The *Startup Spending Update* Report presented to the Board in August and September states that if commencement of PSERN service fees is delayed any further than June 2023, it is likely that the Operator will need additional funds to continue to operate.

As discussed in the September 2022 report, *PSERN Operator Transfer Date*, the FSA date is projected to be December 2023 and so the Operator will need as source of funding to cover costs incurred between July 1, 2023 and December 31, 2023.

DISCUSSION/ANALYSIS:

A draft spending plan for the period 7/1/2023 – 12/31/2023 is provided in Table 1 below. A detailed version of the spending plan is included in Appendix A. The following changes and assumptions have been made, in comparison to the draft budget that was presented for discussion in September 2022:

- It is now presented as a spending plan, since it is assumed that cost recovery in the form of service fees will not occur.
- At this time a budget for 2024 and subsequent years has not been presented. However, if user agencies require estimated service rates they can refer to the September report. Staff plans to bring forward for approval a full budget for 2024 in the next six months (target May 2023).
- Staffing and benefits costs are estimated based on King County supplying staff per the existing staffing agreement through 2027.
- “King County Services” includes the cost associated with the County providing HR and staffing function, per the staffing and hiring agreement. Cost escalation for all expenses is assumed to be 5% from 2022 to 2023, based on the CPIW.

- Insurance costs have been updated (reduced) to reflect the actual cost for property insurance coverage based on the existing coverage in place under King County – this coverage runs to 10/1/2023 and will have to be extended by the County to the FSA date at the end of 2023. It is expected that when the PSERN Operator acquires property insurance, premiums will be higher due to its limited operational and claims history.
- The full six months’ operating cost has been split into two parts – costs to be incurred by the Operator and costs that should continue to be incurred by the Project:
 - The Operator will incur staffing costs and several categories of administrative operating expenses.
 - The Project will incur direct vendor and lease costs associated with the operation of the network. This split is primarily driven by the ownership of the network remaining with the Project prior to FSA.

Table 1 – Draft Spending Plan

PSERN Operator Spending Plan For Period 7/1/2023 to 12/31/2023 Presented to PSERN Operator Board of Directors October 27, 2022			
Budget Item	Cost to Operate		
	2023 6 months	Operator	Project
SALARY AND BENEFITS:	\$ 2,422,142	\$ 2,422,142	\$ -
INSURANCE (see note):	163,169	15,000	148,169
CONSULTING SERVICES (<i>outsourced</i>):	161,000	161,000	-
KING COUNTY SERVICES	17,159	17,159	-
OTHER OFFICE COSTS:	274,168	274,168	-
OTHER ONE-TIME COSTS:	15,538	15,538	-
NETWORK OPERATING COSTS:	1,016,289	-	1,016,289
Cost Offset Due to Leases	(250,000)	-	(250,000)
MSI SERVICES:		-	-
Total Operating Expenses	\$ 4,069,464	\$ 2,905,006	\$ 1,164,458

It is assumed that the County (PSERN Project) will subcontract the operational responsibilities defined in the end user SLAs to the PSERN Operator in return for expense reimbursement as outlined above and in the September 2022 report on Operator Transfer Date. The Operator will incur the costs identified above and be reimbursed by the Project (King County) as defined in a service agreement to be negotiated and executed between the parties.

Some portion of the \$2.9M in estimated costs to be reimbursed by the County may be funded by existing

KCERCS service fees and/or reserve funds. This is currently being investigated. The remainder will be covered by PSERN Project (levy) funds.

RECOMMENDATIONS:

It is recommended that the PSERN Board endorse the spending plan outlined above and request that the Executive Director commence discussions with King County aimed at drafting and executing an agreement for that will result in the PSERN Operator providing the operational responsibilities defined in the user SLAs on behalf of the PSERN Project.

APPENDIX A: SPENDING PLAN DETAIL

PSERN Operator Spending Plan For Period 7/1/2022 to 12/31/2022 Presented to PSERN Operator Board of Directors October 27, 2022			
	Cost to Operate		
Budget Item	2023 6 months	Operator	Project
SALARY AND BENEFITS:	\$2,422,142	\$2,422,142	\$ -
Labor	1,521,822	1,521,822	
Overtime	138,858	138,858	
After Hours Support	84,183	84,183	
Benefits	638,279	638,279	
Recruiting Expense	-	-	
Employee Development	39,000	39,000	
INSURANCE:	163,169	15,000	148,169
Insurance	163,169	15,000	148,169
CONSULTING SERVICES (outsourced):	161,000	161,000	-
Other Consulting/Prof. Svcs	37,500	37,500	
Auditor	12,500	12,500	
Legal	36,000	36,000	
Security consulting	37,500	37,500	
HR and labor relations	12,500	12,500	
Accounting and financial management	25,000	25,000	
Procurement services	-	-	
KING COUNTY SERVICES	17,159	17,159	-
Admin & finance	1,000	1,000	
Human Resources	16,159	16,159	
Office space	-	-	
IT	-	-	
OTHER OFFICE COSTS:	274,168	274,168	-
Office lease (including furniture & space for files)	79,524	79,524	
Utilities (Office(s))	6,000	6,000	
Vehicle Lease & Operating	72,050	72,050	

**PSERN Operator Spending Plan
For Period 7/1/2022 to 12/31/2022
Presented to PSERN Operator Board of Directors
October 27, 2022**

Budget Item	Cost to Operate		
	2023 6 months	Operator	Project
Vehicle Acquisitions	-	-	
Fuel & Parking	50,325	50,325	
Financial Management System	10,056	10,056	
Asset Management System	9,113	9,113	
ITSM System	18,000	18,000	
Records Management	-	-	
MS365	3,900	3,900	
Training & Other Travel	10,000	10,000	
Telephone	-	-	
Cell Phones	10,200	10,200	
Miscellaneous	5,000	5,000	
OTHER ONE-TIME COSTS:	15,538	15,538	-
Network	6,000	6,000	
Workstations	8,038	8,038	
Tools	1,500	1,500	
Vehicle Fit Out	-	-	
NETWORK OPERATING COSTS:	1,016,289	-	1,016,289
Storage units (for spare parts)	1,200		1,200
Fiber Maintenance	10,500		10,500
Leased Ethernet (fr. PSERN)	9,000		9,000
Leased Ethernet (fr. MSI)	199,097		199,097
Supplies/Miscellaneous	10,000		10,000
Freight	7,500		7,500
Parts	5,000		5,000
Rentals	2,500		2,500
Radio Site Leases	686,523		686,523
Site Fuel & Fuel Maint	82,764		82,764
Utilities (Sites)	108,307		108,307

**PSERN Operator Spending Plan
For Period 7/1/2022 to 12/31/2022
Presented to PSERN Operator Board of Directors
October 27, 2022**

Budget Item	Cost to Operate		
	2023 6 months	Operator	Project
Site Fire Alarm Monitoring/Teleco	10,000		10,000
Roads Maintenance	10,500		10,500
Site Maintenance	105,000		105,000
Transportation/Winter Site access	18,398		18,398
Cost Offset Due to Leases	(250,000)	-	(250,000)
MSI SERVICES:		-	-
Total Operating Expenses	\$ 4,069,464	\$ 2,905,006	\$ 1,164,458