



AGENDA

PSERN Operator Board of Directors Meeting

July 2023

Location: PSERN Conference Room 19717 62nd Ave S, E102, Kent, WA 98032

Virtual meeting: Microsoft Teams (details below)

Date: Thursday, July 27, 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: Kurt Triplett (Chair), Dwight Dively, Commissioner Chris Elwell, Mark Schmidt in for Chief Scoggins, Lora Ueland, Chief Dan Yourkoski

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

Agenda Details:

1. Call to Order – Kurt Triplett 3:45 p.m.
2. Roll Call – Tracey Doss 3:45 p.m.
3. Public Comment – Kurt Triplett 3:45 – 3:46 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 – Kurt Triplett 3:46 – 3:50 p.m.

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

- a. Approve June 22 Meeting Minutes
- b. Payment Approvals

(Decision: Approve the Consent Agenda)

5. Action Register Review – Kurt Triplett 3:50 – 3:52 p.m.
6. Executive Director Report – Mike Webb 3:52 – 4:02 p.m.

(Discussion)

7. Startup Spending Update – Tracy Plouse 4:02 – 4:10 p.m.

(Discussion)

8. Operator Employment - Benefits - Mike Webb 4:10 – 4:30 p.m.
(Discussion)
9. PSERN Board of Directors Officer Report – Board Officers 4:30 – 4:40 p.m.
(Discussion)
10. Review New Action Items – Kurt Triplett 4:40 – 4:45 p.m.
(Discussion)

Adjourn

Next Meeting: August 24, 2023

PSERN Board of Directors Agenda
Item #4



Title: Consent Agenda
PSERN Operator Board of Directors Meeting Date: July 27, 2023
PSERN Staff Contact: Tracey Doss, Administrator
Action: Decision

Appendix A: June 22, 2023 Meeting Minutes

Appendix B: Payment Approval

Date	Payment Type	Amount
6/20/2023	Warrants	\$54,504.41
6/26/2023	Warrants	81,786.54
6/26/2023	Special District Journal Entry	76,928.26
7/17/2023	Special District Journal Entry	85,468.98
7/10/2023	Warrants	51,458.95
TOTAL		\$350,147.14

MOTION: That the PSERN Operator Board approve the Consent Agenda.



MINUTES
PSERN Operator Board of Directors Meeting
June 2023

Location: PSERN Conference Room 19717 62nd Ave S, E102, Kent, WA 98032

Virtual meeting: Microsoft Teams (details below)

Date: Thursday, June 22, 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

Attendees: Celeste Bolden, Tracey Doss, Andrew Dziedzic, Adrian Englet, Julia Holden, Hank Krajewski, Dino Lamanna, Donna Mah, Kristin Meitzler, David Mendel, Kimberly Nuber, Tracy Plouse, Alex Rampley, Tatiana Saroca, Mark Schmidt, Mike Webb

1. Call to Order – Chief Scoggins 3:45 p.m.
2. Roll Call – Tracey Doss 3:45 p.m.
3. Public Comment – Chief Scoggins 3:45 – 3:46 p.m.
No public comment.
4. Consent Agenda – Chief Scoggins 3:46 – 3:48 p.m.

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

- a. Approve May 25 Meeting Minutes
- b. Payment Approvals
- c. Resolution 23-06, PSERN Operator Participation in PERS
- d. Resolution 23-07, PSERN Operator Participation in Deferred Compensation Program

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

5. Action Register Review – Chief Scoggins 3:48 – 3:49 p.m.

Action item #17, for the Operator to come back with additional analysis and proposed budget scenarios, was added to the register and will be discussed later in the agenda. Item #15 for a proposed plan for development of sublease agreements, was discussed at the May meeting and has been closed. Item #13 regarding in-building sites is to be determined, and item #14, 2024 budget and service fees, will be discussed in agenda item 9.

6. Executive Director Report – Mike Webb 3:49 – 3:53 p.m.

The PSERN Operator is currently sitting at 6 staff, 3 of which are 50% funded by the Project. Interviews have been held for an Accountant and a decision is expected in the next week or so with the goal for the person to start mid-July.

Employment transition work is ongoing with the setup of retirement and SSA. Summit Law Group has been engaged to develop an employee handbook, which will be brought to the Board for review in August and for approval in September. Resolutions for PERS and WA Deferred Compensation were in the Consent Agenda.

Later in the agenda two financial items will be discussed, the 2024 Budget and Service Fees, and the 2022 statements re-filed with the WA SAO.

IT environment work for the Operator is ongoing. Microsoft 365 has been setup for some staff and the process begun to transition email. Work is also being done to populate and validate the asset management system for deployed radios.

Discussions are underway with carriers and other organizations interested in subleasing. Progress has been made putting together a template agreement and documentation to allow tenant evaluation of the sites. The Operator will not be in a position to execute any agreements until FSA is achieved.

Some items for upcoming meetings; in July the Operator is planning to bring a report with the plan and recommendations for benefits, a roadmap, and timelines for employment startup, in August the review and draft of the employee policy handbook, and approval of the handbook in September.

7. Startup Spending Update – Tracy Plouse 3:53 – 3:56 p.m.

Startup spending costs for the first half of the fiscal year are less than forecasted due to delays in staffing the accountant position and other startup costs previously anticipated.

The Operator anticipates having a surplus of about \$300K at the end of 2023.

The purchase of two vehicles shown in the second half of 2023 were delivered today.

Some costs that were not incurred in the first half were pushed into the second half, and the total forecast only changed by the \$300K of costs that are not expected to occur in the first half of 2023.

Assuming the Operator does not acquire and fund additional staff, the existing startup funds are sufficient to last through the remainder of 2023, with a surplus of about \$300K.

Year-to-date expenditures for 2023 is not consistent month to month because of back orders or delays on items, and a lot of technology purchases that were made in February.

8. 2022 Financial Statement Update- Tracy Plouse 3:56 – 3:59 p.m.

GASB 87 requires that lease expenses be recorded as an asset and a liability, regardless of any lease payments being made, as of January 1, 2022. The lease the Operator signed for the Kent facility was effective on November 1, but due to 4 months of rent abatement, the first payment was not made until March 1, 2023. The Operator reached out to the state auditor for guidance

on GASB 87 reporting did not get a response until after the May meeting. The financial statements were revised and re-filed in time to meet the filing deadline.

The result of the GASB 87 adjustments was that the PSERN Operator's net position, originally reported in May as \$2,824,451, was reduced to \$2,810,612 due to interest and amortization expenses from the lease. Since the lease is an operating expense, this increased the operating expenses net position by the same amount, from \$399,592 to \$385,752.

9. 2024 Budget – Tracy Plouse

3:59 – 4:22 p.m.

At the May meeting Operator discussed the commencement of operation and collection of PSERN Operator service fees on January 1, 2024. Two sets of scenarios were presented, one with an operating reserve collected in 2024 and one without collecting the reserve.

The headcount of the Operator was projected to be 24 FTE in 2024 and remain steady through 2028, and the Operator will employ its own staff beginning January 1, 2024. Wages were calculated using the 2023 King County classification and salary schedule and escalated by 3.6% for 2024.

In May the rates were calculated using the original number of radios and consoles, these numbers have been revised for the June proposed budget.

Networking operating expenses, including lease costs, were revised based on actual costs incurred by the Project throughout 2022. Certain expenses are still estimates and based on limited operations history and experience.

Costs for the Motorola post-warranty support, approximately \$1.7M, are assumed to start 2 years after commencement of operation, on January 1, 2026.

The Operator also discussed the rate stabilization funds, the Board previously directed staff to use 2 scenarios showing how the \$2.6M might be applied as a bottom line offset to smooth out the increases of the service rates from year to year. These scenarios were presented to the Board in May:

- **Scenario 1** – Allocation of rate stabilization funds decreases by 1/3 in each of years 2 and 3. This scenario includes the collection of a operating reserve in each year.
- **Scenario 2** – Allocation of rate stabilization funds is the same as Scenario 1, but no operating reserve funds are collected in the first year.
- **Scenario 3** – Rates are calculated by allocating the \$2.6M over three years (2026, 2027 and 2028) in a manner that results in a uniform increase from year to year (7.0%, 6.8% and 6.3%).
- **Scenario 4** – The rates are calculated the same as in Scenario 2 but do not include the collection of a 5% operating reserve in 2024. To reduce the 2025 escalation, a small portion (5%) of rate stabilization funds is applied in 2025.

The Board had directed the Operator to bring two scenarios based on scenario 4 above to the June meeting, these are Scenarios 4A and 4B.

Changes in the Scenarios 4A and 4B assumptions: the number of radios and consoles from the

2021 Validated Inventory (Motorola Contract Change Order 13) were used to calculate rates, no operational reserve will be collected in 2024, and operating expenses and sub-lease revenues were further reviewed and updated.

Scenario 4A, uses Scenario 4 as defined in the May draft budget, with updated network operating costs (subleases, Motorola post warranty support) and allocation of all network costs set at 70% applied to radios and 30% applied to consoles.

Scenario 4B, the recommended scenario, also uses Scenario 4 as defined in the May draft budget, with updated network operating costs, and explicit breakdown of network operating costs into radio and console categories, where possible, and with the allocation of shared network operating costs set as 80% applied to radios and 20% applied to consoles.

In Scenario 4B, site operating costs are allocated 100% to radio for RF only sites and are split 50/50 for master sites, microwave only sites, or sites that are a combination of RF/microwave and dispatch. These costs are split evenly where the sites provide both coverage to radio users and support dispatch coverage or connectivity. It is not feasible to split it further. Leased line and fiber costs only used to connect to dispatch sites will be allocated 100% to consoles. Allocation for the categories in the Motorola post warranty support agreement begin in 2026 onward and are not part of the 2024 budget for approval today:

- LMR minus dispatch - 100% radio.
- Dispatch - 100% consoles.
- Microwave - allocated based on the % of sites on the microwave that are dispatch versus RF (radio transmit/receive) sites.
- MPLS - allocated based on % of sites on the MPLS network that are dispatch versus RF sites.

All other network operating expenses that cannot be explicitly allocated are split 80% / 20%.

This alternate cost allocation results in a decrease to the service fee rates for consoles of approximately 19% in 2024, or \$235 per month per console.

The Operator reached out to some dispatch centers about the impact of the console fees, which are new to the agencies since KCERCS did not previously charge a console fee. The Operator has begun working on verifying agency billing contacts to communicate in mid-July the agencies rates, the number of radios and consoles, and when to expect invoices. The first invoices are expected to be sent out at the end of November to give agencies 60 days to pay the first invoice.

The 2024 budget uses the same cost allocation methodology previously shared, with the exception of the network operating percentages used for Scenario 4A are 30% consoles and 70% radios, and for Scenario 4B 19% consoles and 81% radios.

The Operator recommends that the Board approve Scenario 4B as this scenario provides a more accurate allocation of network operating costs to radios and consoles and is more sustainable long term. By adopting the 2024 budget the Board is authorizing the PSERN Operator to begin collecting services on January 1, 2024, assuming Full System Acceptance has been reached.

Motion: Dwight Dively made a motion to approve Resolution No. 23-05 adopting services fees

based on the recommendation of Scenario 4B to be effective January 1, 2024 and a budget for 2024 as provided therein. Kurt Triplett seconded the motion. Members unanimously approved the motion.

10. PSERN Board of Directors Officer Report – Board Officers 4:22 – 4:23 p.m.

No Officer reports.

11. Review New Action Items – Chief Scoggins 4:23 p.m.

No new action items were noted.

Adjourn 4:23

Next Meeting: July 27, 2023

Appendix B: Payment Approvals

Payment Date	Payee	Description	Invoice #	Invoice Date	Warrant #	Total Warrant Amount
6/26/23	King County PSERN Project	King County Contracted Services	05312023	6/16/23	Journal Entry	\$76,938.26
7/17/23	King County PSERN Project	King County Contracted Services	06302023	7/14/23	Journal Entry	85,468.98
Subtotal						\$162,407.24
6/20/23	Aramark	Floor Mats for Kent Facility	890057162	06/08/23	10042106	\$16.52
6/20/23	Aramark	Floor Mats for Kent Facility	5120253164	06/01/23	10042107	16.52
6/20/23	CDW Government	Tech Supplies	SE2305303	06/05/23	10042108	450.00
6/20/23	CDW Government	Tech Supplies	SE2305302	06/05/23	10042109	675.00
6/20/23	LeaseCrunch LLC	Accounting Software License	8159	06/05/23	10042110	6,650.00
6/20/23	MCM Technology	MS Office License Subscription	59559	03/28/23	10042111	27,249.75
6/20/23	Pacifica Law Group LLP	Legal Services	83766	06/06/23	10042112	252.00
6/20/23	SMS Cleaning	Janitorial Services	PSE KETN -0523	05/17/23	10042113	900.00
6/20/23	Summit Law Group	Legal Services	145526	5/19/23	10042114	1,116.00
6/20/23	Summit Law Group	Legal Services	144830	04/19/23	10042115	540.00
6/20/23	WFT Company Two	Kent Office Rent	PSEMERG July 2023	6/12/23	10042117	12,220.58
6/20/23	Atlassian	Software	AT-237806589	5/25/23	10042116	277.45
6/20/23	Amazon	Office Supplies	112-5264825-2030666	5/25/23	10042116	99.08
6/20/23	USPS	Office Supplies	840-59800355-3-6275815-2	5/25/23	10042116	28.75
6/20/23	Paypal	Professional Membership Fees	6F247291N25135635	5/25/23	10042116	35.00
6/20/23	Keeneys Office Supply	Office Supplies	KI-00096600	5/25/23	10042116	23.19
6/20/23	Amazon	Office Supplies	112-9038290-3793869	5/25/23	10042116	274.15
6/20/23	Amazon	Tech Supplies	114-9227828-5289815	5/25/23	10042116	231.20
6/20/23	Amazon	Tech Supplies	114-1967397-3585015	5/25/23	10042116	70.40
6/20/23	Amazon	Tech Supplies	114-0524231-2320246	5/25/23	10042116	61.64
6/20/23	Amazon	Tech Supplies	114-1541090-9943401	5/25/23	10042116	61.64
6/20/23	AT&T Mobility	Utilities	287321209309X04272023	5/25/23	10042116	51.28

Appendix B: Payment Approvals

Payment Date	Payee	Description	Invoice #	Invoice Date	Warrant #	Total Warrant Amount
6/20/23	Puget Sound Energy	Utilities	2.20031E+11	5/25/23	10042116	1,017.85
6/20/23	Lumen	Utilities	636165310	5/25/23	10042116	559.48
6/20/23	Amazon	Office Supplies	112-7595326-0929822	5/25/23	10042116	3.83
6/20/23	Amazon	Office Supplies	112-3879497-7438600	5/25/23	10042116	60.61
6/20/23	Amazon	Office Supplies	112-9034297-9494613	5/25/23	10042116	26.07
6/20/23	Home Depot	Office Supplies	CREDIT WP67241199	5/25/23	10042116	-186.07
6/20/23	Enterprise Rent A Car			5/25/23	10042116	3,021.61
6/20/23	Lumen	Utilities		5/25/23	10042116	147.72
6/20/23	Home Depot	Office Supplies	WP67241199	5/25/23	10042116	186.07
6/20/23	Home Depot	Office Supplies	WP67276663	5/25/23	10042116	183.70
6/20/23	Enterprise Rent A Car			5/25/23	10042116	-3,021.61
6/20/23	Atlassian	Software	AT-242810828	5/25/23	10042116	300.58
6/20/23	Amazon	Office Supplies	114-0068165-0814657	5/25/23	10042116	88.06
6/20/23	Amazon	Office Supplies	114-2151926-1974624	5/25/23	10042116	118.86
6/20/23	Advanced Auto Parts	Tech Supplies	831881	5/25/23	10042116	35.21
6/20/23	Inflow Inventory	Tech Supplies	IC-086088	5/25/23	10042116	328.00
6/20/23	Home Depot	Tech Supplies	4705-51-23989	5/25/23	10042116	96.71
6/20/23	Drop Box	Office Supplies	BPW7QT8NLRFW	5/25/23	10042116	79.27
6/20/23	Drop Box	Office Supplies	1W7JQGMZRGQG	5/25/23	10042116	15.19
6/20/23	Parallels	Office Supplies	BKD-73644893209	5/25/23	10042116	143.12
Subtotal						\$54,504.41
6/26/23	Bud Clary Ford Hyundai	Vehicle	3PU094	6/22/23	10042877	\$39,886.77
6/26/23	Bud Clary Ford Hyundai	Vehicle	3PU093	6/22/23	10042878	39,886.77
6/26/23	SMS Cleaning	Janitorial Services	PSE KENT-0623	6/19/23	10042879	900.00
6/26/23	Summit Law Group	Legal Services	146204	06/16/23	10042880	1,113.00

Appendix B: Payment Approvals

Payment Date	Payee	Description	Invoice #	Invoice Date	Warrant #	Total Warrant Amount
Subtotal						\$81,786.54
7/12/23	CDW Government	Tech Supplies	KH86778	6/21/23	10045762	\$42,759.81
7/12/23	SourcePanel	Financial Consulting	I070323C	7/3/23	10045763	2,960.00
7/12/23	Tracy Plouse	Petty Cash – Vehicle Fuel	Vehicle Fuel	6/30/22	10045764	51.19
7/12/23	Keeneys Office Supply	Office Supplies	KI-00098024	6/26/23	10045765	\$71.44
7/12/23	Amazon	Office Supplies	112-357-3040-4363401	6/26/23	10045765	5.88
7/12/23	Amazon	Office Supplies	112-9501448-1695407	6/26/23	10045765	122.09
7/12/23	Amazon	Office Supplies	112-7019867-3457064	6/26/23	10045765	115.48
7/12/23	Amazon	Office Supplies	112-5639769-4202609	6/26/23	10045765	130.89
7/12/23	Keeneys Office Supply	Office Supplies	KI-00098619	6/26/23	10045765	64.36
7/12/23	Paypal	Professional Membership Fees	35C37476355260403	6/26/23	10045765	35.00
7/12/23	Enterprise Rent A Car	Tech Supplies	EHI144389452	6/26/23	10045765	7.45
7/12/23	Amazon	Office Supplies	112-4697889-5525009	6/26/23	10045765	9.85
7/12/23	Amazon	Office Supplies	114-3340317-8862633	6/26/23	10045765	82.52
7/12/23	Amazon	Office Supplies	112-4711156-1577063	6/26/23	10045765	306.02
7/12/23	Amazon	Office Supplies	114-3050553-1237038	6/26/23	10045765	131.99
7/12/23	AT&T Mobility	Utilities	287321209309X05272023	6/26/23	10045765	51.28
7/12/23	USPS	Office Supplies	840-59800355-3-6362189-2	6/26/23	10045765	28.75
7/12/23	Puget Sound Energy	Utilities	6162023	6/26/23	10045765	678.67
7/12/23	Lumen	Tech Supplies	644066245	6/26/23	10045765	2,246.32
7/12/23	Century Link	Utilities	6192023	6/26/23	10045765	147.72
7/12/23	Fast Signs	Office Supplies	157-85840	6/26/23	10045765	209.19
7/12/23	Amazon	Office Supplies	112-2602329-0121026	6/26/23	10045765	19.42
7/12/23	Amazon	Office Supplies	112-8762648-2734629	6/26/23	10045765	19.88
7/12/23	Atlassian	Software	AT-248654612	6/26/23	10045765	300.58

Appendix B: Payment Approvals

Payment Date	Payee	Description	Invoice #	Invoice Date	Warrant #	Total Warrant Amount
7/12/23	Amazon	Office Supplies	112-8762648-2734629	6/26/23	10045765	23.73
7/12/23	Amazon	Office Supplies	112-2602329-0121026	6/26/23	10045765	17.26
7/12/23	WA DOL Renton License Agency	Vehicle	164303332	6/26/23	10045765	127.21
7/12/23	Inflow Inventory	Tech Supplies	IC-088209	6/26/23	10045765	328.00
7/12/23	Home Depot	Tech Supplies	47055267968	6/26/23	10045765	220.66
7/12/23	Drop Box	Office Supplies	Z84BHP88ZXCT	6/26/2023	10045765	99.09
7/12/2023	Berliner Pub	Meals	#38	6/26/2023	10045765	87.22
Subtotal						\$51,458.95
GRAND TOTAL						\$350,147.14



PSERN Operator Board of Directors Action Log - Open Items

#	Date Opened	Item	Responsible	Due Date	Notes
13	2/24/22	Request for additional information related to In-Building Sites to include details of funding options for the remaining 10 areas recommended by the task force, any budget considerations, improvements found in Coverage Testing, impacts of additional sites on Operator rates, Operations Board and Technical Committee perspective, and impact on backhaul capacity.	Operator Staff	TBD	Planning work for how to fulfill this set of requests will begin once the in-building sites are live on the system and testing is complete. This action item was moved from the Project Action Log to the Operator Action Log on 4/27/23.



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

#	Date Opened	Item	Responsible	Due Date	Notes
1	4/28/22	Summary of portfolio of PSERN leases	Project Staff	6/1/22	Operator
2	4/28/22	Budget workshop to discuss 2023 budget and rate setting	Mike Webb/ Tracy Plouse	7/15/22	Workshop held July 11th. Update at July board meeting.
3	6/23/22	Operator staff will send a calendar invite for the July 11, 2022 budget workshop.	Tracy Plouse	6/24/22	
4	3/24/22	Facility recommendation and approval	Mike Webb	8/25/22	Leased approved at 8/25 meeting.
5	6/23/22	Review availability for the August and September regular Board meetings.	Board Members	7/28/22	Need to confirm quorum
6	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.
7	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.

#	Date Opened	Item	Responsible	Due Date	Notes
8	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.
9	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 minutes.	Mike Webb/ Tracy Plouse	10/27/22	Will be incorporated as part of consent agenda starting with October meeting
10	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	10/27/22	Closed, follow up item added to action log.
11	1/26/23	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	2/23/23	This is complete. Wording for the agreement has been provided. Pacifica advised the wording to be " it is also recommended that the Board plan to approve the Agreement, in substantially final form."

#	Date Opened	Item	Responsible	Due Date	Notes
12	10/27/22	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	NA	FSA will not occur until December and there is no ability for the Operator to collect fees until after FSA. Recommend this item be closed. The Board of Directors agreed that this item should be closed at the 4/27/23 meeting.
14	3/24/22	2024 budget and service fee development.	Mike Webb/ Tracy Plouse	6/22/23	Budget approved in June.
15	3/24/22	Report on proposed plan for development of sublease agreement templates to be drawn up for discussion.	Mike Webb	5/25/23	Agenda item #8 of the 5/25/2023 Board meeting.
16	10/27/22	Operator staff will prepare a draft operational support agreement between the County and the Operator.	Mike Webb	5/25/23	Recommended to close this item as there is no OSA.

#	Date Opened	Item	Responsible	Due Date	Notes
17	5/25/23	The Operator has an action item to come back with some further analysis and proposed budget scenarios for the June meeting.	Tracy Plouse	6/22/23	On the June agenda.

PSERN Board of Directors Staff Report

Agenda Item #6



Title: Executive Director Report – July 2023
Meeting Date: July 27, 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 June 2023 meeting.

DISCUSSION:

PSERN Operator Staffing & Hiring

- Staffing for the PSERN Operator currently sits at 6, with 3 positions partly funded by the Project through to FSA as indicated below:
 - Executive Director (50%)
 - Finance and Administration Manager
 - Technical Operations Manager (50%)
 - Radio Operations Supervisor (50%)
 - Administrator III
 - Administrative Specialist
- An Accountant has been hired and will start on August 1st.

Employment Transition to Operator

- The work by Summit Law Group to develop an Employee Policy Handbook for the PSERN Operator is on-track and a draft report will be ready for Board discussion/review at the August meeting.
- Applications for the PSERN Operator to become members of PERS and DCP have been submitted to the Washington State Department of Retirement Systems (DRS).
 - Membership will be effective January 1, 2024.
- Membership in the Association of Washington Cities (AWC) has been approved, and they have provided pricing and options for employment benefits programs (health, dental, etc.):
 - A report to the Board outlining recommendations for a benefit program under AWC is provided as Agenda item 8 at the July meeting.

2023/2024 Operating Budget and Service Fee Development

- With the full-year operating budget for 2024 now approved, staff are in the process of contacting all user agency finance representatives to communicate expected 2024 service fees.
 - This work is gated by finalizing the radio quantities by agency, which are in flux for some agencies.

Financial Startup

- Training in the financial management system (Caselle) is ongoing, and further configuration and setup work is in progress.
 - Information to support Accounts Payable and Accounts Receivable processes/workflows is being populated, including customer and vendor information.
 - Workflows for Purchase Requisitions and Purchase Orders have been implemented.
- All financial transactions and reporting are now being processed through Caselle.

Stakeholder Engagement Strategy and Website Evolution

- In June, PSERN issued an RFP to select a Digital Public Relations consultant to support three activities.
 - Develop a stakeholder engagement strategy and plan tailored to ongoing needs for the PSERN Operator.
 - Develop a new digital engagement platform, including a new PSERN.org website and other capabilities.
 - Develop a crisis communications plan and provide ongoing support.
- A preferred proponent has been identified and work is underway to define a service agreement and initial scopes of work.
- The consultant is expected to conduct a series of interviews with key PSERN stakeholders and one or more workshops as part of developing the stakeholder engagement strategy.
- A further update to the Board will be provided at the August meeting, including a proposed schedule.

IT Systems

- The PSERN Operator's Microsoft 365 environment is operational.
 - Operator staff without PSERN Project responsibilities have fully transferred to PSERN.org email addresses.
 - Staff with Project responsibilities (in addition to Operator responsibilities) will continue to use both KingCounty.gov and PSERN.org emails in parallel.

Operational Planning

- Populating the PSERN Operator’s asset management system (CommShop) is continuing as a collaborative effort with Project staff.
 - As discussed above, a focus is ensuring deployed radio inventories are accurately captured and reconciled as radio deployment completes.

Radio Site Subleasing

- Discussions are underway with the following organizations regarding potential sub-lease agreements: NOAA (for a weather alert transmitter), Verizon, T-Mobile, Pano AI, Dish Networks and Snohomish PUD.

Upcoming Board Meeting Topics

- Topics expected to be brought forward over the next 3 board meetings include the following:
 - August 2023:
 - Further update on employment startup matters, including review and discussion/review of draft Employee Policy Handbook.
 - Update on stakeholder engagement strategy and website redevelopment work.
 - September 2023:
 - Approval of Employee Policy Handbook.
 - Update of Board of Directors Workplan
 - October 2023:
 - Update on Transfer Agreement Execution and associated workplan.
 - Report on the establishment of the PSERN “Operating” board/committee as defined in ILA section 5.0.
- These topics are in addition to the regular standing items, including the Action Item Log, Executive Director’s report, Startup Spending Update and any approvals that may be required.

CONCLUSION:

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

SUPPORTING DOCUMENTATION:

None

PSERN Operator Board of Directors Staff Report - Agenda Item #7



Title: Startup Spending Update – Through June 2023
Meeting Date: July 27, 2023
Staff Contact: Tracy Plouse, Finance & Admin Services Manager
Action: Discussion

SUMMARY:

This report provides an update on PSERN Operator startup expenditures to the end of June 2023 and an updated spending plan/forecast for the first and second half of 2023, after which the PSERN Operator is assumed to be operational and collecting service fees.

BACKGROUND:

As discussed in the January 2022 report to the Board (Startup Staffing and Spending Plan), 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.

A total of \$3.05M has been approved as startup funds and transferred from the Project to the Operator.

DISCUSSION/ANALYSIS:

Appendix A provides a summary of the spending of the PSERN Operator as of June 30, 2023. Year-to-date expenditures by month for the 2023 fiscal year are summarized below.

Month	Expenditures
January 2023	\$ 75,969
February 2023	284,374
March 2023	150,076
April 2023	129,894
May 2023	125,931
June 2023	213,223
TOTAL	\$ 979,459

As discussed at the April 2023 Board meeting, the PSERN Operator will not acquire any additional technical or operational staff to be funded from startup funds. As a result, the PSERN Operator expects that startup funds will be sufficient to support it through to the point at which service fees can be collected in January 2024 (after FSA). Spending forecasts for the first and second half of 2023 have been provided in this report.

The Operator had unspent startup funds of approximately \$1.23 M at the end of June 2023.

The following notes apply:

- Costs for the first half of fiscal year 2023 are less than forecasted due to delays in staffing and other startup costs. It is anticipated that the Operator's startup funds will have a surplus of approximately \$300,000 at the end of 2023 due primarily to these delays.
- Two vehicles were purchased in June 2023 and the cost is reflected in the update.
- Delayed expenditures have been pushed from the first half of 2023 forecast into the second half. The total forecasted costs have not changed.

CONCLUSION

This report provides an update on startup expenditures to the end of June 2023, a forecast of expenditures to the end of June 2023 and a further forecast to the end of December 2023.

SUPPORTING DOCUMENTATION:

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

A summary of expenditures to end of June 2023 and forecasted expenditures during PSERN’s startup phase in 2021, 2022 and 2023 (prior to FSA), 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.

PSERN OPERATOR STARTUP SPENDING AS OF JUNE 30, 2023						
Expenditure Category	2021 Actual	2022 Actual	2023		2023 Forecast Second Half	Total Forecasted Operator Costs 2021-2023
			Forecast First Half	2023 YTD Actual		
Contracted Salaries, Wages & Benefits	\$44,661	\$455,769	\$470,339	446,830	436,584.40	\$1,407,353
Insurance	3,488	\$4,513	-	-	6,000	14,001
Contracted Services	7,506	29,179	65,618	38,534	54,720	157,023
Professional & Consulting Services	8,413	79,038	26,635	20,017	127,500	241,586
Office/Administrative Expenses	-	111,774	287,819	318,119	218,732	618,325
PSERN-Specific IT Systems		7,850	177,208	155,818	92,856	277,914
Cash Security Deposits/Petty Cash		39,088		150		39,088
	<u>\$64,068</u>	<u>\$727,210</u>	<u>\$1,027,619</u>	<u>\$979,469</u>	<u>\$936,392</u>	<u>\$2,755,289</u>
					Startup Funds Made Available \$	3,056,158
					Variance \$	300,869

PSERN Board of Directors Staff Report

Agenda Item #8



Title: Operator Employment - Benefits
Meeting Date: July 27, 2023
PSERN Staff Contact: Mike Webb, Executive Director
Action: Discussion

SUMMARY:

This report provides a summary of recent work undertaken to acquire a benefits plan for PSERN Operator employees to be effective January 1, 2024. The programs offered by the Association of Washington Cities (AWC) will enable PSERN to cost-effectively provide benefits that are similar to those currently provided by King County.

BACKGROUND

The PSERN Operator Interlocal Cooperation Agreement dated December 8, 2020, Article 8.2.1.2 states that *“The Board of Directors shall require the PSERN Operator to use its best efforts to offer the Transferring Employees opportunities for professional advancement and a package of employee benefits that are similar to the opportunities and benefits available to the Transferring Employees at their current agency at the time of transition to PSERN employment”*.

This report discusses the steps that PSERN Operator staff have taken to identify and source cost effective benefits plans similar to King County’s benefits. An overall assessment of the associated costs is also provided.

ANALYSIS:

As part of the Staffing Agreement between King County and the PSERN Operator, the Operator reimburses the County \$1,562 per month per employee for benefits. This is referred to as the “Flex Benefit” and the cost for each employee is the same regardless of the plans they have chosen.

Staff began their research by contacting King County’s Benefits team. Meetings were arranged with the existing plans’ providers to discuss the options and costs to the Operator of offering identical benefits. Staff were provided with approximate costs of offering plans identical to current King County plans, and the cost was approximately \$6,800 per employee per month. The high cost is because the PSERN Operator would need to form its own group, and since it will only have 24 employees it would be considered a small group. Based on the high cost, this option is not considered to be feasible.

Next, staff researched the Washington State Healthcare Authority’s Public Employees Benefits Board (PEBB) plans. PEBB’s website directs interested organizations to contact them via telephone. Staff have tried multiple times to contact the program but have not been successful to date. The cost (from the PEBB website) to the employer is approximately \$2,250 per employee per month. PEBB plans require employees to pay a portion of the premium in addition to the employer premium.

Finally, staff researched the Association of Washington Cities’ benefits plans. Sponsorship from the City of Kirkland has enabled the Operator to become a member of AWC, and their Marketing and Field Services Manager promptly

contacted staff to provide quotes and make recommendations. Extensive information was presented over several meetings to determine the best options for the Operator. Should the PSERN Operator elect to provide plans through AWC, they will communicate with employees during open enrollment, make presentations to employees, and answer questions directly at no additional cost. As discussed in more detail below, the information from AWC indicates their plans provide benefits similar to King County. The average cost per employee is \$2,025¹ and the plans include medical, vision, dental, life/AD&D and long-term disability. AWC plans permit, but do not require, employees to pay a portion of the premium in addition to the employer premium.

A high-level comparison of the plans that staff is recommending compared to King County’s plans is provided in Table 1. A comparison of the costs to employer and employee are provided in Table 2. More detailed information about the options is provided in Appendix A.

Table 1 – Comparison of Benefits Plans

Comparison of Medical Plans					
	KC			AWC Regence	AWC Kaiser
	KingCare Select (Regence)	KingCare PPO (Regence)	SmartCare (Kaiser)	HealthFirst 250	Access PPO
Benefit Access Fee	0	125	0		
Deductible Employee/Family	100/300	300/900	0/0	250/750	250/750
OOPM Employee/Family	1100/2400	1100/2500	1000/2000	3000/6000	2500/5000
Prescription Coverage	10/20/\$30	7/30/\$75	10/20/\$30	5/25/50/100 in pharmacy	10/35/\$75
Office Visits	20 copay no deductible	15% - preventative care not subject to deductible	20 copay	10% - 1st 4 visits not subject to deductible	No deductible or co ins - \$10 Primary visit, \$20 specialist. In network plans pays 90%
ER	10% after 200 copay	15% after 200 copay	100 copay	10% after 75 copay	10% after 150 copay
Hospital In Patient	10%	15%	200 copay	10%	10%

Comparison of Dental Plans		
	KC	AWC
	Delta Dental	Delta G
Benefit period max (class I does not apply)	2500	2000
Deductible (na for class I)	25/75	n/a
Class I (Preventive & Diagnostic)	100% covered	100%
Class II (Restorative)	70%-100%	80%
Class III (Major - dentures, bridges)	70%	50%
Crowns	70%-85%	50%
TMJ	50% lifetime max 500	50% - \$1000 annual / \$5000 life max
Ortho	50% lifetime max 2500	Ortho is covered at 50% with a lifetime max of between \$500 - \$2000

Comparison of Vision Plans		
	KC	AWC VSP
	VSP	25 Copay
Exam	\$10 copay per year	exam every 12 mos per family member, no copay
Lenses	combined with exam	100% covered every 12 mos
frames	130-150 allowance + 20% savings every 2 years	\$200 allowance every 24 mos
contact lens exam	up to 60 copay per year	\$200 allowance every 12 mos for exam and lenses
contacts	130 allowance per year	
retinal screen	39 copay	
discounts on lasik, sunglasses, lense enhancements		

PPO – Preferred Provider Organization

OOPM – Out-of-Pocket Maximum

¹ AWC estimates a 4%-9% increase for medical plans, a 0-3% increase for dental plans and a 0-2% increase for vision plans. No increase is expected for life and long-term disability. These increases are not reflected in this report. The 2024 rates will be available at the end of September 2023. The adopted 2024 budget includes these estimated increases and the allocation for employee benefits is adequate.

Table 2- Comparison of Benefits Costs

Monthly Cost Comparison		
Plan	Employer Cost Per Employee Per Month	Monthly Premium Paid by Employee
AWC Healthfirst 250/Kaiser PPO/Delta G/VSP \$25 copay/LTD/Life/AD&D	\$ 2,025	\$ -
PEBB	\$ 2,250	\$135 - \$283
Plans Offered by King County through Brokers (Small Group)	\$ 6,800	\$ -
King County "Flex Benefit" Currently Paid by Operator	\$ 1,562	\$ -

AWC offers plans that are the most similar to King County’s plans. Those similarities include:

- For both plans the entire premium is paid by the employer.
- Deductibles and out-of-pocket-maximums are similar. Although there are specific differences, providing the exact amounts as King County will be cost prohibitive.
- Office visit and prescription copays are almost identical.
- ER and in-patient hospital stays are very similar, and the employee copay is lower than King County’s for several services.
- AWC’s dental and vision plans have similar deductibles and benefits, and for some services the employee copay is lower than King County’s copay.

In addition to the AWC Regence and Kaiser plans detailed above, the Operator staff is considering a third medical option for staff to choose, a high deductible plan. If an employee selects this plan, the Operator will contribute to the employee’s HSA in an amount equivalent to the difference in the deductible. The Operator staff is continuing to assess if this option is feasible and if there is interest from employees.

If AWC’s plans are offered to PSERN Operator employees, open enrollment would occur in November 2023, with an effective date of January 1, 2024. During the month of October 2023, AWC representatives would provide presentations and have discussions with employees to answer their questions, help them make their selections, and prepare them for open enrollment. Staff will arrange for monthly billing from AWC and enter employees’ plan selections into the payroll system in December 2023.

RECOMMENDATION AND NEXT STEPS

This report has presented information about the PSERN Operator’s options for employee benefits that are similar to King County’s per the Interlocal Agreement.

After reviewing the options and comparing plans, staff is recommending that PSERN consider offering the plans provided by AWC in Table 1 above.

This information is provided for the Board’s review and feedback. If the Board requires additional information or directs staff to research further, that information will be presented at the August 2023 meeting. If not, a request to approve participation in the recommended programs will be brought forward at the August meeting.

SUPPORTING DOCUMENTATION: Plan Comparisons Detail

Appendix A

Plan Comparisons Detail

Detailed Comparison of Medical Plans																			
	AWC Regence				AWC Kaiser Permanente				Regence				PEBB						
	HealthFirst 250	HealthFirst 500	Accountable Health 250	HDHP	\$20 Copay/\$200 Deductible (HMO)	\$20 Copay/\$500 Deductible (HMO)	Access PPO	HDHP	Composite	Platinum 250	Platinum 500	Bronze 8550	Eastside 500(Only in network is covered)	Kaiser WA Classic	Kaiser WA Value	UMP Classic	UMP PSHVN	UMP Plus UW Med ACN	
employee	\$872.06	\$819.52	\$832.62	\$606.42	\$762.12	\$704.98	\$843.86	\$634.12	Composite	\$ 5,674.20	\$5,567.40	\$3,090.06	\$5,119.44	Emp	\$1,001.31	\$928.83	\$970.10	\$931.69	\$931.69
emp + 1	\$1,751.40	\$1,646.80	\$1,672.26	\$1,220.26	\$1,511.56	\$1,398.18	\$1,674.16	\$1,255.50	Dependents	\$ 4,503.94	\$4,419.08	\$2,450.52	\$4,132.34	Emp+1	\$1,844.94	\$1,699.98	\$1,782.52	\$1,705.70	\$1,705.70
emp + 1 + Child	\$2,184.58	\$2,053.40	\$2,085.88	\$1,528.08	\$1,893.96	\$1,751.92	\$2,097.68	\$1,573.06	Age Banded	\$ 5,840.63	\$5,730.71	\$3,180.62	\$5,269.80	Emp+Child(ren)	\$2,477.66	\$1,507.19	\$1,579.43	\$1,512.20	\$1,512.20
emp + 1 + Children	\$2,542.72	\$2,391.34	\$2,427.82	\$1,780.12	\$2,276.38	\$2,105.68	\$2,521.20	\$1,890.62	Dependents	\$4,337.47	\$4,255.77	\$2,359.99	\$3,981.96	Emp+1+Child(ren)	\$1,634.03	\$2,278.34	\$2,391.84	\$2,286.21	\$2,286.21
			Recommended by Staff				Recommended by Staff		Most Similar to KC				Most Similar to KC	Most Similar to KC		Most Similar to KC			

Detailed Comparison of Dental Plans																				
	Delta Dental ^			AWC Delta Dental							AWC Willamette		Regence w/Medical							
	Quote1	Quote2	Quote3	Plan A	Plan B	Plan C	Plan F	Plan G - closest to KC	Plan J	Ortho Rider I	Ortho Rider	Ortho Rider V - combined with G, closest to KC	\$10 Copay	\$15 Copay	option 55	option 56	option 57	option 63	option 64	option 65
employee	\$ 69.80	\$ 69.45	\$ 62.60	\$ 53.82	\$ 47.44	\$ 38.78	\$ 55.88	\$ 54.72	\$ 57.78	\$0.00	\$0.00	\$ 2.50	\$64.32	\$49.18	Actual monthly prem based on 6 emps + any dependents					
emp + 1	\$ 144.90	\$ 144.35	\$ 130.00	\$ 102.20	\$ 88.26	\$ 74.68	\$ 105.68	\$ 103.52	\$ 109.28	\$0.16	\$ 1.06	\$ 5.80	\$120.50	\$94.84	\$ 94.50	\$ 112.33	\$ 124.00	\$ 76.17	\$ 98.50	\$ 94.83
emp + children	\$ 178.80	\$ 190.15	\$ 175.00	\$ 161.42	\$ 145.48	\$ 122.10	\$ 165.42	\$ 171.12	\$ 171.06	\$9.88	\$35.44	\$ 39.80	\$191.92	\$156.44						
emp + family	\$ 254.00	\$ 265.05	\$ 242.40	\$ 161.42	\$ 145.48	\$ 122.10	\$ 165.42	\$ 171.12	\$ 171.06	\$9.88	\$35.44	\$ 39.80	\$191.92	\$156.44						
PSERN Staff x 2	\$ 139.60	\$ 138.90	\$ 125.20	\$ 107.64	\$ 94.88	\$ 77.56	\$ 111.76	\$ 109.44	\$ 115.56	\$ -	\$ -	\$ 5.00	\$ 128.64	\$ 98.36						
Staff + Child x 1	\$ 144.90	\$ 144.35	\$ 130.00	\$ 102.20	\$ 88.26	\$ 74.68	\$ 105.68	\$ 103.52	\$ 109.28	\$ 0.16	\$ 1.06	\$ 5.80	\$ 120.50	\$ 94.84						
Staff + Spouse x 1	\$ 144.90	\$ 144.35	\$ 130.00	\$ 102.20	\$ 88.26	\$ 74.68	\$ 105.68	\$ 103.52	\$ 109.28	\$ 0.16	\$ 1.06	\$ 5.80	\$ 120.50	\$ 94.84						
Staff + Spouse + Child x 2	\$ 508.00	\$ 530.10	\$ 484.80	\$ 322.84	\$ 290.96	\$ 244.20	\$ 330.84	\$ 342.24	\$ 342.12	\$ 19.76	\$ 70.88	\$ 79.60	\$ 383.84	\$ 312.88						
	Most Similar to KC							Staff Recommendation				Staff Recommendation								

Detailed Comparison of Vision Plans									
	VSP			Delta Vision		AWC VSP			
	Option 1	Option 2	Option 3	150 plan	150 plus plan	\$0 Copay	\$10 Copay - most similar to KC	\$25 Copay	\$10/15 plan
employee	\$ 22.07	\$ 19.86	\$ 15.47	\$ 7.00	\$ 7.75	\$ 10.96	\$ 9.54	\$ 7.72	\$ 6.10
emp + 1	\$ 35.31	\$ 31.77	\$ 24.75	\$ 14.75	\$ 16.50	\$ 21.92	\$ 19.06	\$ 15.44	\$ 12.20
emp + children	\$ 36.04	\$ 32.44	\$ 25.27	\$ 15.50	\$ 17.25	\$ 32.88	\$ 28.58	\$ 23.16	\$ 18.30
emp + family	\$ 58.11	\$ 52.30	\$ 40.74	\$ 23.25	\$ 25.75	\$ 32.88	\$ 28.58	\$ 23.16	\$ 18.30
PSERN Staff x 2	\$ 44.14	\$ 39.72	\$ 30.94	\$ 14.00	\$ 15.50	\$ 21.92	\$ 19.08	\$ 15.44	\$ 12.20
Staff + Child x 1	\$ 35.31	\$ 31.77	\$ 24.75	\$ 14.75	\$ 16.50	\$ 21.92	\$ 19.06	\$ 15.44	\$ 12.20
Staff + Spouse x 1	\$ 35.31	\$ 31.77	\$ 24.75	\$ 14.75	\$ 16.50	\$ 21.92	\$ 19.06	\$ 15.44	\$ 12.20
Staff + Spouse + Child x 2	\$ 116.22	\$ 104.60	\$ 81.48	\$ 46.50	\$ 51.50	\$ 65.76	\$ 57.16	\$ 46.32	\$ 36.60
total monthly premium to PSERN w/ current 6 employees	\$ 230.98	\$ 207.86	\$ 161.92	\$ 90.00	\$ 100.00	\$ 131.52	\$ 114.36	\$ 92.64	\$ 73.20
						Staff Recommendation			