



AGENDA
PSERN OPERATOR BOARD OF DIRECTORS MEETING
May 23, 2024

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

Virtual meeting: Microsoft Teams (details below)

Date: Thursday, May 23, 2024

Time: 2:30 p.m. – 3:30 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: 1-323-433-2132 Meeting ID: 116856674#.

Directors: Chief Harold Scoggins (Chair), Dwight Dively, Commissioner Chris Elwell, Vonnie Mayer, Kurt Triplett, Chief Dan Yourkoski

Alternates: Undersheriff Jesse Anderson, Diane Carlson, Shawn Hayes, Kristin Meitzler, Mark Schmidt

Agenda Details

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|----|--------------------------------|------------------|
| 1. | Call to Order – Meeting Chair | 2:30 p.m. |
| 2. | Roll Call – Tracey Doss | 2:30 p.m. |
| 3. | Public Comment – Meeting Chair | 2:31 – 2:33 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 not to exceed three minutes.

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| 4. | Consent Agenda – Meeting Chair | 2:33 – 2:35 p.m. |
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Note: Directors can request to have any item removed from the consent agenda.

- a. Approve the April 25 Meeting Minutes
- b. Payment Approvals

(Decision: Approve the Consent Agenda)

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| 5. | Action Register Review – Meeting Chair | 2:35 – 2:37 p.m. |
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6. Executive Director Report – Mike Webb 2:37 – 2:50 p.m.
7. 2023 Financial Results – Tracy Plouse 2:50 – 3:00 p.m.
8. Preliminary 2025 Budget & Service Fee Rates – Mike Webb 3:00 – 3:10 p.m.
9. PSERN Public Records Policy – Mike Webb 3:10 – 3:20 p.m.

(Decision: Approve Resolution 24-03 – Adopt Public Records Policy)

10. Operations Committee Report – Assistant Chief Lombard 3:20 – 3:25 p.m.
11. Board of Directors Officer Report - Board Officers 3:25 - 3:28 p.m.
12. Review New Action Items - Meeting Chair 3:28 - 3:30 pm.

Adjourn

Next Meeting: June 27, 2024 @ 2:30



PSERN Board of Directors
Agenda Item #4

Title: Consent Agenda

PSERN Operator Board of Directors Meeting Date: May 23, 2024

PSERN Staff Contact: Tracey Doss, Administrator

Appendix A – April 25, 2024, Meeting Minutes

Appendix B – Payment Approvals

Date	Payment Type	Amount
4/11/2024	Checks and ACH/EFT	61,775.73
4/11/2024	Checks and ACH/EFT	59,863.76
4/24/2024	Checks and ACH/EFT	37,401.85
4/19/2024	Checks and ACH/EFT	26,176.38
4/18/2024	Checks and ACH/EFT	4,340.48
4/30/2024	Checks and ACH/EFT	34,936.41
5/10/2024	Checks and ACH/EFT	196.50
5/06/2024	Checks and ACH/EFT	114,808.52
4/11/2024	Checks and ACH/EFT	20,168.41
4/24/2024	Checks and ACH/EFT	4,962.53
5/02/2024	Checks and ACH/EFT	3,397.11
5/09/2024	Checks and ACH/EFT	7,974.96
4/11/2024	Checks and ACH/EFT	2,315.74
5/07/2024	Payroll and Benefits	152,144.88
4/22/2024	Payroll and Benefits	155,794.06
Total		686,257.32

MOTION: Approve the Consent Agenda.



MINUTES
PSERN OPERATOR BOARD OF DIRECTORS MEETING
April 25, 2024

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

Virtual meeting: Microsoft Teams (details below)

Date: Thursday, April 25, 2024

Time: 2:30 p.m. – 3:30 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: 1-323-433-2132 Meeting ID: 116856674#.

Directors Present: Chief Harold Scoggins (Chair), Dwight Dively, Vonnie Mayer, Kurt Triplett, Chief Dan Yourkoski

Attendees: Undersheriff Jesse Anderson, Sean Bachler, Spencer Bahner, Felix Corcoro, Tracey Doss, Sean Douglas, Adrian Englet, Matt Fuller, Julia Holden, Anju John, Assistant Chief Chris Lombard, Kristin Meitzler, David Mendel, Tony Minor, Tracy Plouse, Alex Rampley, Mark Schmidt, Creighton Watley, Mike Webb

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|----|--------------------------------|------------------|
| 1. | Call to Order – Meeting Chair | 2:30 p.m. |
| 2. | Roll Call – Tracey Doss | 2:30 p.m. |
| 3. | Public Comment – Meeting Chair | 2:30 – 2:31 p.m. |
| | No public comment. | |
| 4. | Consent Agenda – Meeting Chair | 2:31 – 2:32 p.m. |

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

- a. Approve the February 22 Meeting Minutes
- b. Payment Approvals

Motion to approve the Consent Agenda was made by Dwight Dively and seconded by Kurt Triplett. Members unanimously approved the motion.

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| 5. | Action Register Review – Meeting Chair | 2:32 – 2:33 p.m. |
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Mike Webb provided an update on the two open action items, #13 regarding in-building coverage options is in process, and #19 to create a policy manual, will start once PSERN is past the 2025 budget activities.

6. Executive Director Report – Mike Webb 2:33 – 2:40 p.m.

Mike Webb provided an overview of PSERN activities and operational updates since the Board meeting in February.

In addition to the May and July meetings, there will be a special meeting in June to approve the 2025 operating budget and service fees.

7. Q1 2024 Preliminary Financial Results – Tracy Plouse 2:40 – 2:58 p.m.

Tracy Plouse provided an overview of the preliminary financials for first quarter 2024.

The 2023 expenditures are different in this report from the year-end amount presented at the January 2024 meeting because the January amount included pre-paid insurance and benefits that were paid in December. Expenditures that were one-time costs related to the setup of the PSERN Operator, were reclassified as startup expenses.

Kurt Triplett asked what the \$1M set aside for the DAS study included? Mike Webb responded the work planned is an assessment of the current level of system coverage including the in-building coverage. Data gathered will be analyzed and used to determine if different parts of the region should be considered for additional in-building coverage. A final result will be put together of potential expansion work and what it would cost. There will be multiple phases to the work and the first step is to secure the services of an RF engineering consultant firm, which is underway.

8. 2023 Preliminary Annual Financial Statements – Tracy Plouse 2:58 – 3:12 p.m.

Tracy Plouse summarized the 2023 year-end financial results including the assets, liabilities, and leases.

PSERN used the beginning of 2023 as the in-service operational date for the depreciation of the majority of the capital assets. This was based on the system going live in 2022. Depreciation of

dispatch and master site equipment that went into service in 2021, started one year earlier. End user radios and equipment were excluded because they are not capital assets, except for radios that were bought by the PSERN Project and will be retained for use by the PSERN Operator.

9. Capital Projects and Expenditure Requirements – Mike Webb 3:12 – 3:25 p.m.

Mike Webb provided background and an overview of the capital projects for 2024 which include the Sobieski / Maloney power reconfiguration, and legacy powerline repairs, Sobieski dormer removal, Grass Mountain tower repairs, and vehicle replacements. These are activities that the PSERN Project would have done but did not have time.

Preliminary capital expenses for 2025-2029 were also shared, details are in the presentation.

Motion that the PSERN Operator Board authorize the Executive Director to proceed with procurement activities for the 2024 capital projects discussed in the report was made by Dwight Dively and seconded by Vonnie Mayer. Member unanimously approved the motion.

10. Radio Site Sublease Overview – Mike Webb/Adrian Englet 3:25 – 3:31 p.m.

Mike Webb gave an overview of radio site subleases. Adrian Englet was available to answer questions.

The presentation discussed that the 2024 Operating budget incorrectly showed Sobieski /WSP revenue as monthly instead of annually. This reduces the 2024 active sublease budget of \$583,836 to around \$540K.

Only new subleases executed prior to June 1, 2024 will be included in the 2025 operating budget.

The Chair asked if AT&T and FirstNet had reached out to PSERN regarding collocating on PSERN towers? Adrian responded that no, they have not.

Action: PSERN will reach out to FirstNet about subleasing space on PSERN towers.

Kurt Triplett requested that additional information be provided in a future update regarding how PSERN decides whether to enter into new subleases and how rent is determined.

11. Operations Committee Report – Assistant Chief Lombard 3:31 – 3:33 p.m.

Chief Lombard gave an update on the Operations Committee, including electing Chief Heitman as Vice Chair, creation of working groups, and looking into broadband push-to-talk features.

12. Board of Directors Officer Report - Board Officers 3:33 - 3:34 p.m.

Kurt Triplett will be unavailable for the June meeting and Diane Carlson will be the alternate.

13. Review New Action Items - Meeting Chair 3:34 - 3:35 pm.

Two new action items for PSERN were noted: provide a report to the Board on how PSERN determines subleases and what to charge, and to follow up with FirstNet.

Adjourn 3:35

Next Meeting: May 23, 2024 @ 2:30

Check Issue Date	Check Number	Merchant Name	Payee	Amount	Invoice Number	Description	Invoice GL Account Title
04/11/2024	1110	Bowen Scarff Ford in Kent	Bowen Scarff Ford in Kent	1,633.33	536793	TOTAL LABOR	Startup Services
04/11/2024	1110	Bowen Scarff Ford in Kent	Bowen Scarff Ford in Kent	579.75	536793	TOTAL PARTS	Startup Services
04/11/2024	1110	Bowen Scarff Ford in Kent	Bowen Scarff Ford in Kent	102.66	536793	MISC CHARGES	Startup Services
04/11/2024	1111	Bowen Scarff Ford in Kent	Bowen Scarff Ford in Kent	1,633.33	536793	TOTAL LABOR	Startup Services
04/11/2024	1111	Bowen Scarff Ford in Kent	Bowen Scarff Ford in Kent	579.75	536793	TOTAL PARTS	Startup Services
04/11/2024	1111	Bowen Scarff Ford in Kent	Bowen Scarff Ford in Kent	102.66	536793	MISC CHARGES	Startup Services
04/11/2024	1111	Bowen Scarff Ford in Kent	Bowen Scarff Ford in Kent	-1,633.33	536793	TOTAL LABOR	Startup Services
04/11/2024	1111	Bowen Scarff Ford in Kent	Bowen Scarff Ford in Kent	-579.75	536793	TOTAL PARTS	Startup Services
04/11/2024	1111	Bowen Scarff Ford in Kent	Bowen Scarff Ford in Kent	-102.66	536793	MISC CHARGES	Startup Services
04/11/2024	1112	Century Link	CenturyLink	31,507.42	680640950	Fiber Backhaul Services	Fiber/Backhaul Services
04/11/2024	1113	Enduris Washington	Enduris Washington	14,263.00	R24-673-2	Insurance	Prepaid Expenses
04/11/2024	1114	Lumen	Lumen	6,112.52	684188005	Network IT Services	IT Network Services - Kent Ofc
04/11/2024	1115	South King Fire & Rescue	South King Fire & Rescue	2,011.36	APRIL2024	April Lease	GASB 87 Clearing - Leases
04/11/2024	1116	Spirit 105.3	Spirit 105.3	8,290.83	59699-4	March lease payment	GASB 87 Clearing - Leases
04/11/2024	1116	Spirit 105.3	Spirit 105.3	6,955.64	59167-11	March lease payment	GASB 87 Clearing - Leases
04/11/2024	1117	Amplified Wireless Solution	Amplified Wireless Solution	9,921.00	5138	MATERIALS	Startup Services
04/11/2024	1117	Amplified Wireless Solution	Amplified Wireless Solution	2,300.00	5138	COMMISSIONING	Startup Services
04/11/2024	1117	Amplified Wireless Solution	Amplified Wireless Solution	1,075.45	5138	SALES TAX	Startup Services
04/11/2024	1118	CDW Government	CDW Government	1,831.37	QK92962	CISCO MERAKI ENTERP	GASB 87 Clearing - Leases
04/11/2024	1119	City of Bellevue	City of Bellevue	4,122.00	48891	2024 Monthly Lease Paym	GASB 87 Clearing - Leases
04/11/2024	1119	City of Bellevue	City of Bellevue	1,210.00	48892	2024 Monthly Lease Paym	GASB 87 Clearing - Leases
04/11/2024	1120	City of Kent Finance	City of Kent Finance	4,320.00	R173750	2024 Lease - Cambridge	GASB 87 Clearing - Leases
04/11/2024	1120	City of Kent Finance	City of Kent Finance	4,968.00	R173750	2024 Lease - Kent Repeat	GASB 87 Clearing - Leases
04/11/2024	1121	Fearey	Fearey	6,247.50	MARCH 2024-128	Startup Services	Startup Services
04/11/2024	1122	SourcePanel	SourcePanel	1,757.50	I020124B	Consulting	Consulting Services
04/11/2024	1122	SourcePanel	SourcePanel	4,255.00	I030124A	Consulting	Consulting Services
04/11/2024	1122	SourcePanel	SourcePanel	3,885.00	I040124A	Consulting	Consulting Services
04/18/2024	1123	KBT Distributing LLC	KBT Distributing LLC	4,340.48	0009322-IN	Fuel	Fuel/Diesel - Sites
04/19/2024	1124	Department of Transportati	Department of Transportati	68.73	RE 45 JE5988 L002	Utility Site	Utilities - Sites
04/19/2024	1125	South King Fire & Rescue	South King Fire & Rescue	25,411.26	2024-MAR24	Quartely Payment	GASB 87 Clearing - Leases
04/19/2024	1126	Spirit 105.3	Spirit 105.3	326.80	57016-31	Utilities Sites	Utilities - Sites
04/19/2024	1126	Spirit 105.3	Spirit 105.3	260.65	57016-34	Utilities Sites	Utilities - Sites
04/19/2024	1127	Tessco Technologies, Inc	Tessco Technologies, Inc	108.94	9400241870	SMA/M-N/M ADAPTER	Site Parts/Supplies
04/24/2024	1128	CDW Government	CDW Government	843.03	SE2407500	Tech Consulting	Consulting Services
04/24/2024	1129	Snohomish County PUD	Snohomish County PUD	5,400.00	1900112362	2024 PSERN-24 - THREE	GASB 87 Clearing - Leases
04/30/2024	1130	Caselle Inc	Caselle Inc	1,849.47	132319 B	Prepaid Expenses - Softwa	Prepaid Expenses
04/24/2024	1131	Chelan County PUD	Chelan County PUD	66.13	6311 APR 2024 A	Utilities	Utilities - Sites
04/24/2024	1131	Chelan County PUD	Chelan County PUD	-66.13	6311 APR 2024 A	Utilities	Utilities - Sites
04/30/2024	1131	Cummins Sales and Servic	Cummins Sales and Servic	2,173.74	01-14440 A	1 Year Generator Maintena	Generator Maintenance
04/30/2024	1131	Cummins Sales and Servic	Cummins Sales and Servic	2,370.33	01-14441	1 Year Generator Maintena	Generator Maintenance
04/24/2024	1132	Chelan County PUD	Chelan County PUD	74.04	6311 APR 2024 B	Utilities	Utilities - Sites

Check Issue Date	Check Number	Merchant Name	Payee	Amount	Invoice Number	Description	Invoice GL Account Title
04/24/2024	1132	Chelan County PUD	Chelan County PUD	-74.04	6311 APR 2024 B	Utilities	Utilities - Sites
04/30/2024	1132	King County Finance	King County Finance	1,125.00	11014570 A	KCIT iNet Services	Fiber/Backhaul Services
04/24/2024	1133	Chelan County PUD	Chelan County PUD	78.01	6311 APR 2024 C	Utilities	Utilities - Sites
04/24/2024	1133	Chelan County PUD	Chelan County PUD	-78.01	6311 APR 2024 C	Utilities	Utilities - Sites
04/30/2024	1133	SMS Cleaning	SMS Cleaning	935.10	PSE KENT-0424	Monthly Janitorial Services	Janitorial Services
04/24/2024	1134	Seattle City Light	Seattle City Light	2,026.12	6975 APR 2024	Utility	Utilities - Sites
04/24/2024	1134	Seattle City Light	Seattle City Light	-2,026.12	6975 APR 2024	Utility	Utilities - Sites
04/30/2024	1134	SourcePanel	SourcePanel	740.00	I042224B	Startup Services	Consulting Services
04/30/2024	1134	SourcePanel	SourcePanel	1,950.00	I042224C	Startup Services	Startup Services
04/24/2024	1135	Snohomish County PUD	Snohomish County PUD	187.36	0847 APR 2024	Utility	Utilities - Sites
04/24/2024	1135	Snohomish County PUD	Snohomish County PUD	-187.36	0847 APR 2024	Utility	Utilities - Sites
04/30/2024	1135	Spirit 105.3	Spirit 105.3	2,763.61	59699-5 A	April lease	GASB 87 Clearing - Leases
04/24/2024	1136	Snohomish County PUD	Snohomish County PUD	181.62	0839 APR 2024	Utility	Utilities - Sites
04/24/2024	1136	Snohomish County PUD	Snohomish County PUD	-181.62	0839 APR 2024	Utility	Utilities - Sites
04/30/2024	1136	Summit Law	Summit Law	999.50	153690 A	Legal Services	Legal Services
04/24/2024	1137	Puget Sound Energy	Puget Sound Energy	374.69	1594 APR 2024-1	Utility	Utilities - Sites
04/24/2024	1137	Puget Sound Energy	Puget Sound Energy	-374.69	1594 APR 2024-1	Utility	Utilities - Sites
04/30/2024	1137	Michael Webb	Michael Webb	196.50	TRAVEL REIMBURSEME	Expense Reimbursement I	Memberships & Registrations
05/10/2024	1137	Michael Webb	Michael Webb	-196.50	TRAVEL REIMBURSEME	Expense Reimbursement I	Memberships & Registrations
04/24/2024	1138	Puget Sound Energy	Puget Sound Energy	300.43	1792 APR 2024-1	Utility	Utilities - Sites
04/24/2024	1138	Puget Sound Energy	Puget Sound Energy	-300.43	1792 APR 2024-1	Utility	Utilities - Sites
05/06/2024	1138	CenturyLink	CenturyLink	30,499.75	684652073	Fiber Backhaul Services	Fiber/Backhaul Services
05/06/2024	1138	CenturyLink	CenturyLink	-30,499.75	684652073	Fiber Backhaul Services	Fiber/Backhaul Services
04/24/2024	1139	Puget Sound Energy	Puget Sound Energy	20.95	1354 APR 2024-1	Utilities	Utilities - Sites
04/24/2024	1139	Puget Sound Energy	Puget Sound Energy	-20.95	1354 APR 2024-1	Utilities	Utilities - Sites
05/06/2024	1139	Department of Natural Res	Department of Natural Res	33,110.51	4900/0100176081/2024	2024 Lease Payment - Ea	GASB 87 Clearing - Leases
04/24/2024	1140	Puget Sound Energy	Puget Sound Energy	370.00	1628 APR 2024-1	Utilities	Utilities - Sites
04/24/2024	1140	Puget Sound Energy	Puget Sound Energy	-370.00	1628 APR 2024-1	Utilities	Utilities - Sites
05/06/2024	1140	South King Fire & Rescue	South King Fire & Rescue	2,011.36	MAY2024	May Lease	GASB 87 Clearing - Leases
04/24/2024	1141	Puget Sound Energy	Puget Sound Energy	501.85	2022 APR 2024-1	Utilities	Utilities - Sites
04/24/2024	1141	Puget Sound Energy	Puget Sound Energy	-501.85	2022 APR 2024-1	Utilities	Utilities - Sites
05/06/2024	1141	Spirit 105.3	Spirit 105.3	6,955.64	59167-12	April lease - Tower Lease 1	GASB 87 Clearing - Leases
04/24/2024	1142	Puget Sound Energy	Puget Sound Energy	241.93	6935 APR 2024-1	Utilities	Utilities - Sites
04/24/2024	1142	Puget Sound Energy	Puget Sound Energy	-241.93	6935 APR 2024-1	Utilities	Utilities - Sites
05/06/2024	1142	Tessco Technologies, Inc	Tessco Technologies, Inc	1,828.11	9400246688	MODULE REPLACEMENT	Site Parts/Supplies
05/06/2024	1142	Tessco Technologies, Inc	Tessco Technologies, Inc	3,105.33	9400246688	MOD CARD FOR IMAX U	Site Parts/Supplies
04/24/2024	1143	Tanner Electric Cooperativ	Tanner Electric Cooperativ	539.40	9669 APR 2024	Utilities	Utilities - Sites
04/24/2024	1143	Tanner Electric Cooperativ	Tanner Electric Cooperativ	-539.40	9669 APR 2024	Utilities	Utilities - Sites
05/10/2024	1143	Michael Webb	Michael Webb	196.50	TRAVEL REIMBURSEME	Expense Reimbursement I	Memberships & Registrations
05/10/2024	1143	Michael Webb	Michael Webb	-196.50	TRAVEL REIMBURSEME	Expense Reimbursement I	Memberships & Registrations
05/10/2024	1144	Michael Webb	Michael Webb	196.50	TRAVEL REIMBURSEME	Expense Reimbursement I	Memberships & Registrations

Check Issue Date	Check Number	Merchant Name	Payee	Amount	Invoice Number	Description	Invoice GL Account Title
04/11/2024	4012024	Cascade Public Media	Cascade Public Media	15,882.91	04012024	Capitol Hill Monthly Lease	GASB 87 Clearing - Leases
04/24/2024	4242024	WFT Company Two LLC	WFT Company Two LLC	12,455.13	PSEMERG MAY 2024 A	Kent Facility Lease	Prepaid Expenses
05/06/2024	5012024	Cascade Public Media	Cascade Public Media	15,882.91	MAY2024	Capitol Hill Monthly Lease	GASB 87 Clearing - Leases
05/09/2024	5050424	Puget Sound Energy	Puget Sound Energy	364.64	0505 APR 2024	Utilities	Utilities - Sites
04/24/2024	8390424	Snohomish County PUD	Snohomish County PUD	181.62	0839 APR 2024	Utility	Utilities - Sites
04/24/2024	8470424	Snohomish County PUD	Snohomish County PUD	187.36	0847 APR 2024	Utility	Utilities - Sites
05/09/2024	9840524	Puget Sound Energy	Puget Sound Energy	350.34	0984 MAY 2024	Utilities	Utilities - Sites
05/09/2024	9920424	Puget Sound Energy	Puget Sound Energy	442.24	0992 APR 2024	Utilities	Utilities - Sites
05/02/2024	11150424	Puget Sound Energy	Puget Sound Energy	802.25	1115 APR 2024	Utilities	Utilities - Sites
04/24/2024	13540424	Puget Sound Energy	Puget Sound Energy	20.95	1354 APR 2024-1	Utilities	Utilities - Sites
05/09/2024	14120424	Puget Sound Energy	Puget Sound Energy	409.40	1412 APR 2024	Utilities	Utilities - Sites
04/24/2024	15940424	Puget Sound Energy	Puget Sound Energy	374.69	1594 APR 2024-1	Utility	Utilities - Sites
04/11/2024	16103680	Uline Inc	Uline Inc	85.88	16103680	ULINE TRASH CAN DOLL	Warehouse Supplies
04/11/2024	16103680	Uline Inc	Uline Inc	114.50	16103680	ULINE TRASH CAN - 44 G	Warehouse Supplies
04/11/2024	16103680	Uline Inc	Uline Inc	4,629.58	16103680	COLLAPSIBLE WIRE CON	Startup Supplies
04/11/2024	16103680	Uline Inc	Uline Inc	156.03	16103680		Startup Supplies
04/24/2024	16280424	Puget Sound Energy	Puget Sound Energy	370.00	1628 APR 2024-1	Utilities	Utilities - Sites
04/30/2024	16280425	Marsh USA LLC	Marsh USA LLC	13,888.66	261348316253	Insurance	Prepaid Expenses
05/09/2024	16360524	Puget Sound Energy	Puget Sound Energy	165.92	1636 MAY 2024	Utilities	Utilities - Sites
05/09/2024	16690524	Puget Sound Energy	Puget Sound Energy	821.85	1669 MAY 2024	Utilities	Utilities - Sites
04/24/2024	17920424	Puget Sound Energy	Puget Sound Energy	300.43	1792 APR 2024-1	Utility	Utilities - Sites
05/09/2024	18910524	Puget Sound Energy	Puget Sound Energy	320.90	1891 MAY 2024	Utilities	Utilities - Sites
04/24/2024	20220424	Puget Sound Energy	Puget Sound Energy	501.85	2022 APR 2024-1	Utilities	Utilities - Sites
05/09/2024	20550524	Puget Sound Energy	Puget Sound Energy	341.62	2055 MAY 2024	Utilities	Utilities - Sites
04/24/2024	63110424	Chelan County PUD	Chelan County PUD	66.13	6311 APR 2024 A	Utilities	Utilities - Sites
04/24/2024	69350424	Puget Sound Energy	Puget Sound Energy	241.93	6935 APR 2024-1	Utilities	Utilities - Sites
04/24/2024	69750424	Seattle City Light	Seattle City Light	2,026.12	6975 APR 2024	Utility	Utilities - Sites
05/09/2024	69790524	Puget Sound Energy	Puget Sound Energy	182.81	6976 MAY 2024	Utilities	Utilities - Sites
05/09/2024	73700424	Puget Sound Energy	Puget Sound Energy	332.00	7370 APR 2024	Utilities	Utilities - Sites
04/11/2024	80000208	Comcast	Comcast	515.76	800002084558	IT network Services	Fiber/Backhaul Services
05/09/2024	82880524	Seattle City Light	Seattle City Light	265.64	8288 MAY 2024	Utility	Utilities - Sites
05/09/2024	88460524	Puget Sound Energy	Puget Sound Energy	2,242.21	8846 MAY 2024	Utilities	Utilities - Sites
05/09/2024	88610424	Puget Sound Energy	Puget Sound Energy	893.46	8861 APR 2024	Utilities	Utilities - Sites
04/11/2024	96089572	Wex Bank	Wex Bank	4,485.32	96089572	Statement payment	Vehicle Fuel
05/09/2024	96230524	Tanner Electric Cooperativ	Tanner Electric Cooperativ	339.82	9623 MAY 2024	Utilities	Utilities - Sites
05/09/2024	96240524	Tanner Electric Cooperativ	Tanner Electric Cooperativ	502.11	9624 MAY 2024	Utilities	Utilities - Sites
04/24/2024	96690424	Tanner Electric Cooperativ	Tanner Electric Cooperativ	539.40	9669 APR 2024	Utilities	Utilities - Sites
05/06/2024	96739993	Wex Bank	Wex Bank	4,945.76	96739993	Statement payment - April	Vehicle Fuel
05/02/2024	127104202	Puget Sound Energy	Puget Sound Energy	300.41	1271 APR 2024	Utility	Utilities - Sites
04/24/2024	182450424	Ziplyfiber	Ziplyfiber	183.69	18245 APR 2024	Utilities - Site	Utilities - Sites
04/24/2024	186164042	Richard J Busch	Richard J Busch	18,520.00	186164	Legal - real estate	Legal Services - Real Estate

Check Issue Date	Check Number	Merchant Name	Payee	Amount	Invoice Number	Description	Invoice GL Account Title
04/24/2024	263110424	Chelan County PUD	Chelan County PUD	74.04	6311 APR 2024 B	Utilities	Utilities - Sites
04/24/2024	363110424	Chelan County PUD	Chelan County PUD	78.01	6311 APR 2024 C	Utilities	Utilities - Sites
05/06/2024	558150524	AWC Employee Benefit Tru	AWC Employee Benefit Tru	46,039.11	55815	Employee Benefits	Benefits
05/02/2024	677804200	Puget Sound Energy	Puget Sound Energy	366.37	6778 APR 2024	Utility	Utilities - Sites
05/02/2024	697404202	Seattle City Light	Seattle City Light	285.05	6974 APR 2024	Utility	Utilities - Sites
05/02/2024	697604202	Puget Sound Energy	Puget Sound Energy	668.69	6976 APR 2024	Utilities	Utilities - Sites
04/30/2024	892940424	Pacifica Law Group LLP	Pacifica Law Group LLP	1,036.00	89294 A	Startup services	Startup Services
04/30/2024	892940424	Pacifica Law Group LLP	Pacifica Law Group LLP	5,105.00	89294 A	Legal Services	Legal Services
05/02/2024	893104202	Puget Sound Energy	Puget Sound Energy	974.34	8931 APR 2024-1	Utilities	Utilities - Kent Office
04/11/2024	996037439	Verizon	Verizon	904.33	9960374397	Mobile Phone Sevices	Mobile Phone Service
05/06/2024	996286577	Verizon	Verizon	929.79	9962865773	Mobile Phone Sevices	Mobile Phone Service
Grand Totals:				<u>378,318.38</u>			



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. Work has begun to prepare initial deliverables including procurement activities for A&E. It is expected to take about a year.
19	1/25/24	Compile and create a fiscal policy manual.	Operator Staff		Work to begin on this after the work on the 2025 budget is complete.
20	4/25/24	Follow up with FirstNet on subleasing space on PSERN towers.	Mike Webb		
21	4/25/24	Provide information on how PSERN explores and negotiates subleases and how fees are determined.	Adrian Englet		



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.
18	7/27/23	The PSERN Operator will look into options on how it could offset the higher out of pocket maximums and deductibles for transferring employees and bring this information to the Board in August.	Operator Staff	8/24/23	Completed August 24,2023



PSERN Board of Directors Staff Report Agenda Item #6

Title: Executive Director Report – May 2024
Meeting Date: May 23, 2024
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 April 25, 2024, meeting.

DISCUSSION:

PSERN Operator Staffing

- PSERN Operator staffing currently stands at 22 out of 24 authorized in the 2024 budget:
 - One member of the Technical Operations team retired in March.
 - The Field Services Manager resigned effective May 10.
 - Recruitment to backfill both positions are underway.
 - Two positions in the Finance/Admin team are being filled by temporary staff.
- Collective bargaining training for PSERN and IBEW local 77 bargaining committees will be provided by PERC on June 12th.

Financial

- As of May 15th, \$38K in 1Q 2024 and \$933K in 2Q 2024 service fee invoice payments are outstanding (out of a total payable of \$2.3M per quarter).
- Over 98% of 1Q 2024 service fee payments have been received, which means that nearly all user agencies have established the ability to pay PSERN.
- PSERN's final 2023 financial statements are being brought forward in agenda item 7 and will be filed with the state prior to the end of May.

Procurement Activity

- Evaluation of proposals in response to a Request for Qualifications (RFQ) for Architectural and Engineering (A&E) consultants to support RF and Microwave engineering work is underway and expected to be complete by May 20th:
-

- PSERN will be creating a roster of 3 qualified firms, with master service agreements to be executed by the end of May.
- The initial Work Order to be executed under these service agreements will be for the first phase of in-building coverage assessment work (for which a total of \$1M in funding has been set aside, although this first phase will be a small portion of that).
- The intent is that the newly formed Technical Working Group, reporting to the Operations Committee, will provide user agency oversight and guidance for this work.
- An RFQ for A&E consultants to assess and define improvements to site power at the Maloney/Sobieski radio sites closed on April 29th and is currently being evaluated.

PSERN Operations Committee

- The PSERN Operations Committee did not meet in May.
- 8 committee members out of the 9 members identified in the bylaws are in place:
 - The request to the King County Police Chiefs and Sheriff's Association to identify an individual to fill the vacant position is still outstanding.
- An initial set of 7 members for the Technical Working Group (TWG) have been identified and the first meeting is now scheduled for June 6th.
 - The initial work of the TWG will be to provide direction and oversight related to radio programming standards, the planning and implementation of encryption and the planned in-building coverage assessment work discussed above.

PSERN User Agency Updates

- Radio deployment to Issaquah Public Works is now complete and they are expected to start using the system in July.
- Lake Meridian Water District has executed the PSERN SLA and will join the system in the coming months.
- Discussions regarding Seattle Public Library joining PSERN are continuing.

Operational Status and Updates

- PSERN staff are working on the removal of legacy (KCERCS) system programming from all PSERN radios, and making certain other high priority updates:
 - Total codeplugs to be updated/modified: 505.
 - Codeplugs in progress: 94.
 - Number of codeplugs completed: 118.
-

- DAS migrations are continuing:
 - As of May 13, 488 out of an estimated 961 (50.8%) systems across the County have migrated.
 - PSERN is discussing status of specific buildings with user agencies encountering in-building coverage issues.
- PSERN continues to respond to incidents of harmful interference caused by Distributed Antenna Systems (DAS) installed by property owners to enhance in-building coverage.
 - The source of interference in downtown Seattle has been identified and resolved.
 - Significant progress has been made in resolving DAS interference in downtown Bellevue.
- As per the contract, Motorola is obligated to upgrade the system to the latest versions of hardware and software prior to the end of the initial warranty period (December 2025).
 - Planning for this next upgrade (to version A.2024) has begun, with the upgrade expected to occur in the fall of 2025.

Radio Site Leases and Subleases

- Discussions are continuing with the following organizations regarding new sub-leases:
 - T-Mobile (3 sites)
 - Verizon (2 sites)
 - Dish Wireless (1 additional site – Bellevue Station 9)
 - Microwave-only carriers:
 - McKay Brothers (up to 3 sites)
 - Pioneer Wireless (up to 3 sites)
 - RSN (up to 3 sites)
 - Startouch (backhaul provider for T-Mobile at Grass Mountain).
 - Pano AI (4 additional sites in the Highway 410 corridor for wildfire detection).
 - NOAA/National Weather Service (1 site in Highway 2 corridor for Weather Radio).

Upcoming Board Meeting Topics

- Topics expected to be brought forward over the next 3 board meetings include the following:
 - June 2024 (Special Meeting):
-

- Approval of 2025 operating budget and service fees.
- Approval of engineering study to assess Maloney/Sobieski radio site power improvements.
- July 2024
 - 2Q 2024 financial results.
- These topics are in addition to the regular standing items, including the Consent Agenda, Action Item Log, Executive Director’s report, and any additional approvals that may be required.
- Approvals to commence the engineering work discussed above (coverage assessment and Maloney/Sobieski power system assessment) will be brought forward over the next two meetings.
- Please note that the June meeting is not on the approved 2024 board schedule and so is considered a Special Meeting.

CONCLUSION:

This report has provided a summary of the work undertaken by the PSERN Operator since the previous report in April 2024.

SUPPORTING DOCUMENTATION:

None

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



Title: 2023 Annual Financial Statements
Meeting Date: May 23, 2024
Staff Contact: Tracy Plouse, Finance & Admin Services Manager
Action: Discussion

SUMMARY:

This report provides the PSERN Operator’s 2023 fiscal year financial statements as of December 31, 2023, including Management’s Discussion and Analysis (MD&A) and the Notes to the Financial Statements.

BACKGROUND:

Per the Washington State Auditor’s Office BARS reporting requirements, annual reports are to be certified and filed with the State Auditor’s Office within 150 days after the close of each fiscal year. The BARS GAAP manual states that “the legal reporting requirements prescribed by the State Auditor’s Office for local governments in Washington State are consistent with national standards of financial reporting prescribed by the GASB”. These requirements for GAAP governments are as follows:

1. Basic Financial Statements, including notes to financial statements.
2. Required Supplementary Information (including MD&A)
3. Supplemental Schedules

DISCUSSION/ANALYSIS:

Note: GASB 87 calculations still need to be finalized and updated tables will be provided at the board meeting.

This report provides financial statements, including the Statement of Net Position, the Statement of Revenues, Expenses and Changes in Net Position and the Statement of Cash Flows.

The Statement of Net Position provides a record, or snapshot, of the assets and liabilities at the close of the year. The net difference between the PSERN Operator’s assets and liabilities is shown as the PSERN Operator’s net position. Net position is further broken down into the separate categories to show the portion of net position that is invested in net capital assets and unrestricted net position. For the twelve months ending December 31, 2023, the total net position of the PSERN Operator was \$152,705,052. The net increase from 2023 to 2024 was \$149,894,441.

Puget Sound Emergency Radio Network Operator

Statement of Net Position

As of December 31, 2023

	2023
ASSETS	
Current Assets:	
Unrestricted Cash and Cash Equivalents	8,731,751
Receivables	
Accounts Receivable	
Interest Receivable	14,331
Due from Other Governments	-
Prepaid Expenses	408,819
Inventories	962,143
Total Current Assets	10,117,044
Non-Current Assets	
Non-Current Receivables	
Security Deposit Receivable	14,837
Capital Assets Being Depreciated	144,311,073
Less Accumulated Depreciation	(14,468)
Total Capital Assets	144,296,605
Lease Asset	21,511,938
Less Accumulated Amortization - Leases	(199,365)
Total Leases	21,312,573
SBITA Asset	131,300
Less Accumulated Amortization - SBITA	(26,260)
Total SBITA	105,040
Total Non-Current Assets	165,729,056
TOTAL ASSETS	175,846,100

LIABILITIES

Current Liabilities

Accounts Payable	387,660
Interest Payable - Leases	82,548
Interest Payable - SBITA	4,631
ST Lease Liability	772,993
ST SBITA Liability	22,831
Due to Other Governments	100,922
Unearned User Fees	998,754

Total Current Liabilities**2,370,339**

-

Non-Current Liabilities

Leases Payable - Non-Current	20,682,863
SBITA Payable - Non Current	87,846

Total Non-Current Liabilities**20,770,709**

-

TOTAL LIABILITIES**23,141,048****NET POSITION**

Invested in Capital Assets - Ending Balance	144,296,605
Unrestricted Net Position - Ending	8,408,446

TOTAL NET POSITION**\$ 152,705,052**Assets

Assets (net of Capital Assets) as of December 31, 2023 were \$29,008,429, as summarized below. This includes unrestricted cash and cash equivalents of \$7,732,997. The cash is categorized Table 1.

Table 1: Unrestricted Cash and Cash Equivalents

Cash and Cash Equivalents	
December 31, 2023	
Unrestricted Cash and Cash Equivalents	
Startup Funds Set-aside	\$ 514,844
Maloney Permanent Power Set-aside	3,000,000
In-Building DAS Coverage Study Set-aside	1,000,000
Rate Stabilization Funds Set-aside	2,619,406
Startup Cashflow Set-aside	500,000
Radio Management Set-aside	40,126
Petty Cash	150
Credit Card Deposit	25,000
Interest Earned Set-aside	33,471
Available for Operations	<u>998,754</u>
Total Unrestricted Cash and Cash Equivalents	\$8,731,751

Other current assets include prepaid expenses, interest receivable and inventories. The prepaid expenses were primarily payments for insurance for which the expenses will be recognized in 2024. The inventories include radios transferred from the Project in December 2023 that will be held by the Operator as inventory. The interest receivable is December 2023 interest on cash on deposit with King County, which will be paid in January 2024.

On September 1, 2022, the PSERN Operator implemented GASB 87 (Statement). This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases.

In December 2023, the PSERN Operator assumed radio site leases from both King County and Motorola as part of the transfer agreement. The asset, liability, amortization, and interest were calculated using term and rate escalation information from the lease documents. These amounts are still to be recalculated as more information becomes available and final amounts will be presented at the May board meeting.

The Operator also assumed subleases from King County in December 2023. GASB 87 requires that subleases be reported using the same rules as leases. Sublease asset, deferred inflow of resources, interest and subleases receivable accounts will be created in the general ledger. Complete information is not available to date and will be presented at the May meeting.

Subscription Based Information Technology Arrangements (SBITAs) are accounted for using GASB 96 (Statement). This was effective January 1, 2023, and SBITA asset, liability, amortization, and interest amounts are reported.

Capital Assets increased by \$144,210,912 in 2023. Table 2 summarizes the capital assets of the Operator on December 31, 2023. The majority of the capital assets were acquired by the Operator as a result of the December 2023 transfer agreement with King County.

PSERN staff have estimated the value of the capital assets acquired based on the initial cost and the dates in which assets were placed into operational service. Net asset values have been entered into our depreciation schedule according to our Capital Asset Policy. Certain expenditures that were capitalized by the PSERN Project, such as consulting and project personnel costs, were not included in the calculations as they do not represent a cost that would be included in the assets' replacement.

Table 2: Capital Assets Being Depreciated

Capital Assets Being Depreciated December 31, 2023	
Site Assets Received from PSERN Project	\$143,077,096
Vehicles Received from PSERN Project	137,887
Radios Received from PSERN Project	812,754
Purchased from Startup Funds in 2023 (2 vehicles and startup tech equipment)	195,306
Purchased from Startup Funds in 2022 (office furnishings)	88,030
Accumulated Depreciation	(14,468)
Total Capital Assets Being Depreciated	\$144,296,605

Liabilities

Liabilities as of December 31, 2023 total \$23,141,047. Accounts Payable in the amount of \$387,660 and Due to Other Governments (amount owed to KCIT for contracted services) in the amount of \$100,922 are for 2023 expenditures that will be paid in 2024. The remainder of the liabilities represent the liability side of the GASB 87 and GASB 96 calculations as discussed in the Asset section.

The Statement of Revenues, Expenses and Changes in Net Position presents the results of the business activities over the course of the fiscal year and the resulting change in net position of the PSERN Operator.

There were no operating revenues for the fiscal year 2023. As directed by GASB guidelines and the Washington State Auditor for stand-alone proprietary funds, user fee revenue is not recognized in the financial statements until it has become both earned and available. Although the Operator invoiced \$2,313,704 in 1Q 2024 user fees and collected \$998,754 in payments in 2023, these amounts are not recognized as they do not meet the earned and available criteria. It should be noted that the Cash and Cash Equivalents amount summarized in Table 1 does not include the cash collected for user fees in 2023.

Operating expenses in the amount of \$2,207,030 were recorded for the 2023 fiscal year. This mostly consists of one-time start-up expenditures (including staffing expenses) that were paid for using Start-up funding transferred to the Operator in September 2022.

Non-operating revenues in the amount of \$152,112,938 were reported as of December 31, 2023. This is comprised of the Start-Up and Radio Management contract funds as well as \$6.619 M that is set aside for Maloney Powerline Replacement, In-Building Coverage Study and Rate Stabilization, as summarized in Table 1. These funds were transferred from the Project, and total \$7,049,381. Interest on Investments and Miscellaneous Non-Operating Operating revenues in the amount of \$73,676 were recognized. Although no cash was exchanged for the capital assets acquired through the transfer agreement, Capital Contributions equaling the value of the capital assets is recorded as a non-operating revenue.

2023

Revenues

Operating Revenues	\$	-
--------------------	----	---

Non-operating Revenues	152,112,938
Total Revenues	<u>152,112,938</u>
Expenses	
Operating Expenses	\$ 2,218,497
Non-operating Expenses	
Total Expenses	<u>2,218,497</u>
Change in Net Position	\$ 149,894,441
Net Position - Beginning	<u>2,810,611</u>
Net Position - Ending	<u><u>\$ 152,705,052</u></u>

The Statement of Cash Flows is the third basic financial statement. It presents information regarding where cash came from and what it was used for. For the Statement of Cash Flows, operating revenues (user fees and other receipts) are recognized for the year 2023. The \$998,754 of user fees reflects the total amount of cash payments received on or before December 31, 2023 for Quarter 1 2024 user fees. Non-operating revenues were provided in the form of start-up funds and were expended on operating activities. There was \$58,077 of non-operating revenue in the form of investment interest.

**Puget Sound Emergency Radio Network Operator
Statement of Cash Flows**

For the Period Ending December 31, 2023

Cash Flows from Operating Activities

User Fees	\$ 998,754
Other Receipts	6,757
Cash Payments to Suppliers for Goods and Services	(2,086,678)
Net Cash Provided (Used) by Operating Activities	(1,081,167)

Cash Flows from Non-Capital Financing Activities

Non-Capital Funds Received from Other Governments	7,049,381
Net Cash Provided (Used) by Non-Capital Financing Activities	7,049,381

Cash Flows from Capital and Related Financing Activities

Purchases of Capital Assets	(198,105)
Net Cash Provided (Used) by Capital and Related Financing Activities	(198,105)

Cash Flows from Investing Activities

Interest on Investments	58,077
Net Cash Provided (Used) by Investing Activities	58,077

Net Increase (Decrease) in Cash and Cash Equivalents

5,828,186

Cash and Cash Equivalents - January 1

2,903,565

Cash and Cash Equivalents - December 31

\$ 8,731,750.89

Provided (Used) by Operating Activities

Depreciation and Amortization	14,468
Unearned User Fees	(998,754)
Increase (Decrease) in Accounts Payable	284,058
Increase (Decrease) in Due to Other Governments	27,791
Decrease (Increase) in Prepaid Items and Inventory	(408,819)
Adjustments	89
Net Cash Provided (Used) by Operating Activities	\$ (1,081,167)

The Notes to the Financial Statements, as prescribed by the State Auditor's Office, are included as Appendix A.

CONCLUSION

This report provides a summary of the PSERN Operator's 2023 Financial Statements that will be submitted to the Washington State Auditor's Office.

PUGET SOUND EMERGENCY RADIO NETWORK OPERATOR
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Fiscal Year Ending December 31, 2023

INTRODUCTION

Puget Sound Emergency Radio Network Operator (PSERN Operator) offers readers of the PSERN Operator's financial statements this narrative overview and analysis of the financial activities for the fiscal year ended December 31, 2023. The following Management's Discussion and Analysis (MD&A) is intended to serve as an introduction to the PSERN Operator's basic financial statements, the notes to the financial statements and, if applicable, any other supplementary information required as part of the basic financial statements. We encourage readers to consider the information presented here in conjunction with the PSERN Operator's financial statements, which follow this section.

BACKGROUND

Puget Sound Emergency Radio Network Operator is a nonprofit organization that was formed in 2021 under the terms of an Interlocal Cooperation Agreement that includes King County and the cities of Auburn, Bellevue, Federal Way, Issaquah, Kent, Kirkland, Mercer Island, Redmond, Renton, Seattle, and Tukwila. Under the terms of the Interlocal Cooperation Agreement the PSERN Operator was created as a separate, independent governmental administrative agency.

The PSERN Project was a voter-approved capital project to upgrade and expand the emergency radio system for public safety response in King County, Washington. On December 22, 2023, a transfer agreement was executed between King County and Puget Sound Emergency Radio Network Operator, and consistent with the Interlocal Cooperation Agreement, ownership and responsibility for operation of the system was transferred. All of King County's interest in the assets and liabilities that comprise the Puget Sound Emergency Radio Network system, including agreements, leases, site-specific physical assets, licenses, permits, radio system documents and equipment were included in the transfer. In 2023 the Operator was focused on startup of the organization, including hiring staff and establishing business operations to be fully prepared to assume operational responsibilities upon execution of the transfer agreement. As of January 1, 2024 the PSERN Operator has assumed operational responsibilities and has its own employees, policies, assets, bank accounts, and revenue stream.

The PSERN Operator is governed by its Board of Directors, comprised of four voting members and two nonvoting members as provided in the Interlocal Cooperation Agreement. Actions of the Board of Directors of the PSERN Operator are conducted as provided in the Interlocal Cooperation Agreement, the bylaws and policies of the PSERN Operator.

OVERVIEW OF THE FINANCIAL STATEMENTS

The PSERN Operator's financial statements present a nonprofit corporation organized under the laws of the State of Washington, Revised Code of Washington (RCW), Chapters 24.06 and 39.34, to provide an emergency public safety radio system that is used for dispatching and communications between fire, law enforcement, and other first responders when the Project is complete in 2023. The PSERN Operator is not a segment of any other local government, nor is it a component thereof.

The financial statements include a statement of net position, statement of revenues, expenses, and changes in fund net position, statement of cash flows, and notes to the financial statements.

The **Statement of Net Position** provides a record, or snapshot, of the assets and liabilities at the close of the year. It presents the financial position of the PSERN Operator on a full accrual historical cost basis. The net difference between the PSERN Operator's assets and liabilities is shown as the PSERN Operator's net position. Net position is further broken down into the separate categories to show the net position is invested in net capital assets and unrestricted net position of the PSERN Operator.

The **Statement of Revenues, Expenses, and Changes in Fund Net Position** presents the results of the business activities over the course of the fiscal year and the resulting change in net position of the PSERN Operator. All changes in net position are reported as soon as the underlying event, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flow in future years.

The **Statement of Cash Flows** is the third basic financial statement and is related to the other financial statements by the way it links changes in assets, and liabilities to the effect on cash equivalents over the course of the fiscal year. The statement reports cash receipts, cash payments and net changes resulting from operating, financing, and investing activities. It presents information regarding where cash came from and what it was used for.

The **Notes to Financial Statements** provide useful information regarding the PSERN Operator's significant accounting policies; it explains significant account balances and activities, certain material risks, estimates, obligations, commitments, contingencies, and subsequent events, if any.

FINANCIAL POSITION

Total net position for the PSERN Operator totaled \$152,705,052 on December 31, 2023.

STATEMENT OF NET POSITION

Assets:	
Current and Other Assets	31,549,494
Capital Assets, Net	144,296,605
TOTAL ASSETS	175,846,100

Liabilities:	
Other Liabilities	2,370,339
Non-Current Liabilities	20,770,709
TOTAL LIABILITIES	23,141,047

NET POSITION

Invested in Capital Assets - Ending Balance	144,296,605
Unrestricted Net Position - Ending	8,408,446
TOTAL NET POSITION	152,705,052

Analysis of changes in Total Net Position:

For the twelve months ending December 31, 2023, the total change in net position of the PSERN Operator was an increase of \$149,880,601 (\$2,810,611 to \$152,705,052). The majority of the increase in net position is due to assets and leases that were received from King County (PSERN Project) in December as a result of the transfer agreement.

The largest portion of the current and other assets is the lease asset calculated as required by GASB 87 in the amount of \$21,312,573. Note that the majority of this asset is offset by a liability of \$20,682,863, as also required by GASB 87. On September 1, 2022, the PSERN Operator implemented GASB 87 (Statement). This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases. In December 2023, the PSERN Operator assumed radio site leases from both King County and Motorola as part of the transfer agreement. The asset, liability, amortization, and interest were calculated using term and rate escalation information from the lease documents.

Subscription Based Information Technology Arrangements (SBITAs) are accounted for using GASB 96 (Statement). This was effective January 1, 2023, and SBITA asset, liability, amortization and interest amounts are reported.

Capital Assets increased by \$144,210,912 in 2023. Table 2 summarizes the capital assets of the Operator on December 31, 2023. The majority of the capital assets were acquired by the Operator as a result of the December 2023 transfer agreement with King County. The value of the capital assets acquired is based on the initial cost and the dates in which assets were placed into operational service. Net asset values were booked using PSERN's Capital Asset Policy.

RESULTS OF OPERATIONS

Condensed Statement of Revenues, Expenses and Changes in Net Position as of December 31:

	2023
Revenues	
Operating Revenues	\$ -
Non-operating Revenues	152,112,938
Total Revenues	<u>152,112,938</u>
Expenses	
Operating Expenses	\$ 2,218,497
Non-operating Expenses	
Total Expenses	<u>2,218,497</u>
Change in Net Position	\$ 149,894,441
Net Position - Beginning	<u>2,810,611</u>
Net Position - Ending	<u><u>\$ 152,705,052</u></u>

Analysis of changes in Revenues, Expenses and Changes in Net Position:

- There were no operating revenues for the fiscal year. While some user fees were paid in 2023 for services beginning January 1, 2024, the revenue was unearned and not recognized until 2024.
- Non-operating revenues were comprised of the following:
 - Start-up funds received from PSERN Project (King County) \$7,049,381.
 - Interest and miscellaneous revenue: \$76,676.
 - Capital contributions equal to the amount of the capital assets acquired as part of the transfer agreement: \$144,989,880.
- Operating expenses in the amount of \$2,218,497 were due to startup expenditures to ensure that the PSERN Operator was prepared to assume operational responsibilities effective January 1, 2024.

CAPITAL ASSETS AND LONG-TERM DEBT

Capital Assets increased by \$144,210,912 in 2023. Table 2 summarizes the capital assets of the Operator on December 31, 2023. The majority of the capital assets were acquired by the Operator as a result of the December 2023 transfer agreement with King County. The value of the capital assets acquired is based on the initial cost and the dates in which assets were placed into operational service. Net asset values were booked using PSERN’s Capital Asset Policy.

Table 2: Capital Assets Being Depreciated

Capital Assets Being Depreciated December 31, 2023	
Site Assets Received from PSERN Project	\$143,077,096
Vehicles Received from PSERN Project	137,887
Radios Received from PSERN Project	812,754
Purchased from Startup Funds in 2023 (2 vehicles and startup tech equipment)	195,306
Purchased from Startup Funds in 2022 (office furnishings)	88,030
Accumulated Depreciation	(14,468)
Total Capital Assets Being Depreciated	\$144,296,605

On September 1, 2022, the PSERN Operator implemented GASB 87 (Statement). This Statement increases the usefulness of governments’ financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases. In December 2023, the PSERN Operator assumed radio site leases from both King County and Motorola as part of the transfer agreement. The asset, liability, amortization, and interest were calculated using term and rate escalation information from the lease documents.

For the year ending December 31, 2023 the PSERN Operator had long-term debt totalling \$20,770,709. This amount is comprised of leases (\$20,682,683) and SBITAs (\$87,846). No other long-term debt exists for PSERN.

REQUESTS FOR INFORMATION

This financial report is designed and intended to provide a general overview of the PSERN Operator's financial position. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the PSERN Operator at 19717 62nd Ave S E102, Kent, WA 98031.

Puget Sound Emergency Radio Network Operator
Statement of Net Position
As of December 31, 2023

	2023
ASSETS	
Current Assets:	
Unrestricted Cash and Cash Equivalents	8,731,751
Receivables	
Accounts Receivable	
Interest Receivable	14,331
Due from Other Governments	-
Prepaid Expenses	408,819
Inventories	962,143
Total Current Assets	10,117,044
Non-Current Assets	
Non-Current Receivables	
Security Deposit Receivable	14,837
Capital Assets Being Depreciated	144,311,073
Less Accumulated Depreciation	(14,468)
Total Capital Assets	144,296,605
Lease Asset	21,511,938
Less Accumulated Amortization - Leases	(199,365)
Total Leases	21,312,573
SBITA Asset	131,300
Less Accumulated Amortization - SBITA	(26,260)
Total SBITA	105,040
Total Non-Current Assets	165,729,056
TOTAL ASSETS	175,846,100
LIABILITIES	
Current Liabilities	
Accounts Payable	387,660
Interest Payable - Leases	82,548
Interest Payable - SBITA	4,631
ST Lease Liability	772,993
ST SBITA Liability	22,831
Due to Other Governments	100,922
Unearned User Fees	998,754
Total Current Liabilities	2,370,339
	-

Non-Current Liabilities	-
Leases Payable - Non-Current	20,682,863
SBITA Payable - Non Current	87,846
Total Non-Current Liabilities	20,770,709
	-
TOTAL LIABILITIES	23,141,048
NET POSITION	
Invested in Capital Assets - Ending Balance	144,296,605
Unrestricted Net Position - Ending	8,408,446
TOTAL NET POSITION	\$ 152,705,052

Puget Sound Emergency Radio Network Operator
Statement of Revenues, Expenses and Changes in Net Position
For the Period Ending February 28, 2022

Operating Revenues	
Charges for services	-
Total Operating Revenues	\$ -
Operating Expenses	2,218,497
Total Operating Expenses	2,218,497
Operating Income (Loss)	(2,218,497)
Non-Operating Revenues (Expenses)	
Start-Up Funds	7,049,381
Misc Non-Operating Revenue	1,148
Appl Fee Revenue	5,000
Interest	67,528
Capital Contributions	144,989,880
Total Non-Operating Revenues (Expenses)	152,112,938
Income (Loss)/Change in Net Position	149,894,441
Total Net Position - January 1	2,810,611
Total Net Position - December 31	\$ 152,705,052

The notes to the Financial Statements are an integral part of this statement.

Puget Sound Emergency Radio Network Operator
Statement of Cash Flows
For the Period Ending December 31, 2023

Cash Flows from Operating Activities

User Fees	\$ 998,754
Other Receipts	6,757
Cash Payments to Suppliers for Goods and Services	(2,086,678)
Net Cash Provided (Used) by Operating Activities	(1,081,167)

Cash Flows from Non-Capital Financing Activities

Non-Capital Funds Received from Other Governments	7,049,381
Net Cash Provided (Used) by Non-Capital Financing Activities	7,049,381

Cash Flows from Capital and Related Financing Activities

Purchases of Capital Assets	(198,105)
Net Cash Provided (Used) by Capital and Related Financing Activities	(198,105)

Cash Flows from Investing Activities

Interest on Investments	58,077
Net Cash Provided (Used) by Investing Activities	58,077

Net Increase (Decrease) in Cash and Cash Equivalents

	5,828,186
Cash and Cash Equivalents - January 1	2,903,565
Cash and Cash Equivalents - December 31	\$ 8,731,750.89

Provided (Used) by Operating Activities

Depreciation and Amortization	14,468
Unearned User Fees	(998,754)
Increase (Decrease) in Accounts Payable	284,058
Increase (Decrease) in Due to Other Governments	27,791
Decrease (Increase) in Prepaid Items and Inventory	(408,819)
Adjustments	89
Net Cash Provided (Used) by Operating Activities	\$ (1,081,167)

The notes to the Financial Statements are an integral part of this statement.

Puget Sound Emergency Radio Network Operator
Notes to the Financial Statements
For the Fiscal Year Ended December 31, 2022

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the Puget Sound Emergency Radio Network Operator (PSERN Operator) conform to generally accepted accounting principles (GAAP) as applicable to proprietary funds of governments. The following is a summary of the most significant policies:

Reporting Entity

The PSERN Operator is a nonprofit corporation governed by a six-member board. As required by generally accepted accounting principles, management has considered all potential component units in defining the reporting entity. The PSERN Operator has no component units.

Basis of Accounting and Presentation

The proprietary fund statements are reported using the economic resources measurement focus and full-accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when liability is incurred regardless of the timing of the cash flows.

The PSERN Operator distinguishes between operating revenues and expenses from non-operating ones. Operating revenues and expenses result from providing services in connection with the PSERN Operator's principal ongoing operations. The principal operating revenues are charges to users for service provided by the Puget Sound Emergency Radio Network (commencing in January 2024). Operating expenses include the cost of network services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

Assets, Liabilities, Fund Balance, Net Position

1. Cash and Cash Equivalents

For purposes of the statement of cash flows, the PSERN Operator considers all liquid investments with a maturity of three months or less when purchased to be cash equivalents. Cash and Cash Equivalents include currency on hand and investments in the King County Investment Pool.

2. Investments (See Note 2)

3. Receivables

Interest Receivable consists of amounts earned on investments at the end of the year.

4. Amounts Due to Other Governments

Due to Other Governments represents the amount owed to King County for wages, benefits and services per the Interlocal Cooperation Agreement.

NOTE 2 – DEPOSITS AND INVESTMENTS

Cash and cash equivalents

Cash and cash equivalents are cash on hand, demand deposits and short- term investments with original maturities of three months or less from the date of acquisition.

Unrestricted

Cash on Deposit King County Tr	\$	7,353,783
Petty Cash		150
Credit Card Deposit		25,000
Cash on Deposit U.S. Bank		1,352,818
Total Unrestricted		8,731,751
Total Cash and Investments	\$	8,731,751

Investments

In accordance with State law, the district’s governing body has entered into a formal Interlocal Agreement with the district’s ex officio treasurer, King County, to have all its funds not required for immediate expenditure to be invested in the King County Investment Pool (Pool).

As of December 31, 2023, the PSERN Operator had the following investments:

Investment Type	Fair Value	Effective Duration
King County Investment Pool	\$7,330,986	.79 years

Interest Rate Risk. As of December 31, 2023, the Pool’s average duration was 0.79 years. As a means of limiting its exposure to rising interest rates, securities purchased in the Pool must have a final maturity, or weighted average life, no longer than five years. While the Pool’s market value is calculated on a monthly basis, unrealized gains and losses are not distributed to participants. The Pool distributes earnings monthly using an amortized cost methodology.

Credit Risk. As of December 31, 2023, the PSERN Operator’s investment in the Pool was not rated by a nationally recognized statistical rating organization (NRSRO). In compliance with state statutes, Pool policies authorize investments in U.S. Treasury securities, U.S. agency securities and mortgage-backed securities, corporate notes (rated at least “A”), municipal securities (rated at least “A” by two NRSROs), commercial paper (rated at least the equivalent of “A-1”), certificates of deposits issued by qualified public depositories, repurchase agreements, and the Local Government Investment Pool managed by the Washington State Treasurer’s office.

NOTE 3 – RECEIVABLE AND PAYABLE BALANCES

A. Receivables

Receivables as of December 31, 2023 were as follows:

Interest Receivable	\$ 14,331
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B. Payables

Payables as of December 31, 2023 were as follows:

Accounts Payable	\$387,660
Interest Payable – Leases	76,981
Leases Payable	837,759
Due to Other Governments	100,922
Interest Payable – SBITA	4,631
SBITA Payable	22,831
TOTAL	\$1,430,784

NOTE 4 – RISK MANAGEMENT

Puget Sound Emergency Radio Network (PSERN) Operator is a member of the Enduris Washington (Pool). Chapter 48.62 RCW provides the exclusive source of local government entity authority to individually or jointly self-insure risks, jointly purchase insurance or reinsurance, and contract for risk management, claims, and administrative services. The Pool was formed on July 10, 1987 pursuant to the provisions of Chapter 48.62 RCW, Chapter 200- 100 WAC, and Chapter 39.34 RCW when two counties and two cities in the State of Washington joined together by signing an interlocal governmental agreement to fund their self-insured losses and jointly purchase insurance and administrative services. For the Pool's fiscal year ending August 31, 2023, there were 518 Enduris members representing a broad array of special purpose districts throughout the state.

The Enduris program provides various forms of joint self-insurance and reinsurance coverage for its members: Liability coverage, which includes General Liability, Automobile Liability, Public Officials' Errors and Omissions liability, Terrorism liability and Employment Practices liability; Property coverage, which includes Building and Contents, Mobile Equipment, Boiler and Machinery, and Business Interruption/Extra Expense; Automobile Physical Damage coverage; Cyber coverage; Crime blanket coverage; Named Position coverage; and an Identity Fraud reimbursement policy. Pollution and Cyber coverage are provided on a claims-made coverage form. Crime coverage is provided on a discovery form. All other coverage is provided on an occurrence coverage form.

Members are responsible for a coverage deductible or co-pay on each covered loss. Each policy year members receive a Memorandum of Coverage (MOC) outlining the specific coverage, limits, and deductibles/co-pays that apply to them. In

certain cases, the Pool may allow members to elect to participate in the programs at limits, coverage, deductibles, and co-pays that are specific to their needs. Enduris is responsible for payment of all covered losses above the member retention, up to the Pool self-insured retention (SIR). Enduris acquires excess/reinsurance from unrelated insurance companies to cover losses above the Pool's SIR up to the coverage maximum limit of liability. The tables below reflect the Pool's SIR, reinsurance limits, and member deductibles/co-pays by coverage type.

Coverage	Coverage Type	Pool Self-Insured Retention	Excess/ Reinsurance Limits	Member Deductibles/ Co-Pays ⁽¹⁾
Liability:				
General Liability	Per Occurrence	\$1 million	\$20 million	\$1,000 - \$100,000
Automobile Liability	Per Occurrence	\$1 million	\$20 million	\$1,000 - \$100,000
Public Officials Errors and Omissions Liability	Each Wrongful Act Member Aggregate	\$1 million	\$20 million \$20 million	\$1,000 - \$100,000
Terrorism Liability ⁽²⁾	Per Occurrence Pool Aggregate	\$500,000 \$1 million	None	\$1,000 - \$100,000
Employment Practices Liability	Per Occurrence Member Aggregate	\$1 million	\$20 million \$20 million	20% Copay ⁽³⁾

- (1) Members may request or be required to pay a higher deductible than the minimum for certain coverage and certain types of losses require a specific co-pay or deductible
(2) Terrorism liability is fully funded by the Pool i.e. no excess/reinsurance is procured.
(3) Members pay a 20% co-pay of costs. By meeting established guidelines, the co-pay may be waived.

Coverage	Coverage Type	Pool Self-Insured Retention	Excess/ Reinsurance Limits	Member Deductibles/ Co-Pays ⁽¹⁾
Property ^{(2):}				
Buildings and Contents	Per Occurrence	\$250,000	\$1 billion	\$1,000 - \$250,000
Mobile Equipment	Per Occurrence	\$250,000	\$1 billion	\$1,000 - \$250,000
Boiler and Machinery ⁽³⁾	Per Occurrence	Varies	\$100 million	Varies
Business Interruption (BI)/ Extra Expense (EE) ⁽⁴⁾	Per Occurrence	\$250,000	\$100 million (BI)/ \$50 million (EE)	\$1,000 - \$250,000
Sublimit ^{(5):}				
Flood	Per Occurrence	\$250,000	\$50 million (shared by Pool members)	\$1,000 - \$250,000
Earthquake	Per Occurrence	5% of indemnity, subject to a \$250,000 minimum	\$10 million (shared by Pool members)	\$1,000 - \$250,000
Terrorism Primary	Per Occurrence Pool Aggregate	\$250,000	\$100 million per occurrence \$200 million aggregate	\$1,000 - \$250,000
Terrorism Excess	Per Occurrence APIP Per Occurrence APIP Aggregate	\$500,000	\$600 million/ Pool aggregate \$1.1 billion/ per occurrence APIP program \$1.4 billion/ APIP program aggregate	\$0

Automobile Physical Damage⁽⁶⁾	Per Occurrence	\$25,000; \$100,000 for Emergency Vehicles; \$250,000 for Emergency Vehicles valued >\$750,000	\$1 billion	\$250 - \$1,000
Crime Blanket⁽⁷⁾	Per Occurrence	\$50,000	\$1 million	\$1,000
Named Position⁽⁸⁾	Per Occurrence	\$50,000	\$1 million	\$1,000
Cyber⁽⁹⁾	Each Claim APIP Aggregate	\$100,000	\$2 million \$40 million	20% Copay
Identity Fraud Expense Reimbursement⁽¹⁰⁾	Member Aggregate	\$0	\$25,000	\$0

- (1) Members may request or be required to pay a higher deductible than the minimum for certain coverage and certain types of losses require a specific co-pay or deductible.
- (2) Property coverage for each member is based on a detailed property schedule. Scheduled items are covered to the extent of the cost of repair or replacement according to the excess/reinsurance policy terms. Under the Alliant Property Insurance Program (APIP) Reinsurance carriers cover insured losses over \$250,000 to the limit of \$1 billion except for certain types of sub-limited property losses such as flood, earthquake, and terrorism.
- (3) Boiler and Machinery self-insured retention for the Pool varies depending on motor horsepower.
- (4) Business Interruption/ Extra expense coverage is based on scheduled revenue-generating locations/operations. A limited number of members are scheduled, and the rest are limited to \$500,000 of coverage with a \$2.5 million Pool maximum for undeclared exposure. The waiting period (deductible) is typically 24 hours but there are exceptions specific to the type of exposure covered.
- (5) This sub-limit list is simplified and is not all-inclusive. In addition, sub-limits are often shared or aggregated by all pool members and, in a few cases, are shared by all APIP members. Deductibles often vary by coverage sub-limit.
- (6) Auto Physical Damage coverage includes comprehensive, named perils and collision. Coverage for each member is based on a detailed vehicle schedule.
- (7) Crime Blanket coverage (also referred to as "Employee Dishonesty Coverage with Faithful Performance" of \$2,500 is provided to each member. Members may elect to "buy up" the level of coverage from \$5,000 to \$2 million.
- (8) Named Position coverage is optional. Members may elect to schedule various employees, directors, and commissioners, with individual limits of between \$5,000 and \$1 million.
- (9) Cyber coverage is included under the Pool's Property program. Members are subject to a 20% co-pay per loss and the Pool's SIR is tiered between \$50,000 and \$100,000 depending on the insured/member's property TIV with an 8-hour waiting period. By meeting established guidelines, the co-pay may be waived. The reinsurance maximum limit of liability is \$2 million, with various declared sub-limits.
- (10) Enduris purchases Identity Fraud Expense Reimbursement coverage. Member claims do not have a deductible. There is a \$25,000 limit per member.

Members make an annual contribution to fund the Pool. Since Enduris is a cooperative program, there is joint liability among the participating members. There were no claim settlements above the insurance coverage in any of the last three policy years.

Upon joining the Pool, members are contractually obligated to remain in the Pool for a minimum of one year. They must give notice 60 days before renewal to terminate participation. The Interlocal Governmental Agreement (formerly known as the Master Agreement) is automatically renewed each year unless provisions for withdrawal or termination are applied. Even after termination, a member is still responsible for contributing to Enduris for any unresolved, unreported, and in-process claims for the period they were a signatory to the Interlocal Governmental Agreement.

Its member participants fully fund Enduris. Members file claims with the Pool, which determines coverage and administers the claims.

The Pool is governed by a Board of Directors comprising seven board members. The Pool's members elect the Board, and the positions are filled on a rotating basis. The Board meets quarterly and is responsible for overseeing the business affairs of Enduris and providing policy direction to the Pool's Executive Director.

NOTE 5 – LEASES (Lessees)

On September 1, 2022, the PSERN Operator implemented GASB 87 (Statement). This Statement increases the usefulness of governments’ financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments’ leasing activities.

The PSERN Operator acquired from the PSERN Project (King County) site leases as part of the official transfer agreement. As of December 31, 2023 the leases have been entered into the accounting system according to GASB 87. No cash transactions occurred for these leases in 2023.

Lessee Leases

The lease asset balance as of December 31, 2023 is \$21,511,938 (less accumulated amortization of \$199,365), for a net balance of \$21,312,573.

As of December 31, 2023, the principal and interest requirements to maturity are as follows:

Maturity Analysis	Principal	Interest	Total Payments
Year Ending 2024-12	790,393.66	713,972.08	1,504,365.74
Year Ending 2025-12	595,057.48	954,411.46	1,549,468.94
Year Ending 2026-12	641,099.88	924,578.19	1,565,678.07
Year Ending 2027-12	704,020.28	896,868.09	1,600,888.37
Year Ending 2028-12	778,526.74	864,143.78	1,642,670.52
5 Years Ending 2033-12	4,451,310.42	3,750,192.85	8,201,503.27
5 Years Ending 2038-12	5,443,695.14	2,655,089.05	8,098,784.19
5 Years Ending 2043-12	5,908,986.70	1,328,734.01	7,237,720.71
5 Years Ending 2048-12	2,769,330.06	192,569.05	2,961,899.11
Total Future Payments	<u>22,082,420.36</u>	<u>12,280,558.56</u>	<u>34,362,978.92</u>

NOTE 6 – CHANGES IN LONG-TERM LIABILITIES

During the year ended December 31, 2023, the following changes occurred in long-term liabilities:

	Beginning of Year	Additions	Subtractions	End of Year	Amounts Due Within One Year
Lease Assets					
Land	626,563.64	20,820,723.51	0.00	21,447,287.15	
Building	691,214.73	0.00	0.00	691,214.73	
	1,317,778.37	20,820,723.51	0.00	22,138,501.88	
Less: Accumulated Amortization					
Land	(35,958.84)	(89,399.27)	0.00	(125,358.11)	
Building	(102,111.23)	(7,854.71)	0.00	(109,965.94)	
	(138,070.07)	(97,253.98)	0.00	(235,324.05)	
Total Lease Assets, net	1,179,708.30	20,723,469.53	0.00	21,903,177.83	
Lease Liabilities	1,268,401.65	20,820,723.51	(6,704.80)	22,082,420.36	790,393.66

NOTE 7 – LEASES (LESSORS)**NOTE 8 – SUBSCRIPTION BASED INFORMATION TECHNOLOGY AGREEMENTS (SBITA)**

The PSERN Operator adopted GASB 96 (Statement) on January 1, 2023. This statement requires the amortization of Subscription Based Information Technology Agreements (SBITAs). The Operator has one SBITA for Microsoft Office.

	Beginning of Year	Additions	Subtractions	End of Year	Amounts Due Within One Year
SBITA Assets					
SBITA - GASB 96	131,300.33	0.00	0.00	131,300.33	
	131,300.33	0.00	0.00	131,300.33	
Less: Accumulated Amortization					
SBITA - GASB 96	(24,071.74)	(2,188.34)	0.00	(26,260.08)	
	(24,071.74)	(2,188.34)	0.00	(26,260.08)	
Total SBITA Assets, net	107,228.59	(2,188.34)	0.00	105,040.25	
SBITA Liabilities	110,677.13	0.00	0.00	110,677.13	22,831.46

SBITA Maturity Analysis

Principal

Interest

Total Payments

Year Ending 2024-12	22,831.46	5,061.43	27,892.89
Year Ending 2025-12	27,982.71	4,017.29	32,000.00
Year Ending 2026-12	29,262.40	2,737.60	32,000.00
Year Ending 2027-12	30,600.56	1,399.44	32,000.00
Year Ending 2028-12	0.00	0.00	0.00
Total Future Payments	<u>110,677.13</u>	<u>13,215.76</u>	<u>123,892.89</u>



PSERN Board of Directors Staff Report Agenda Item #8

Title: Preliminary 2025 Budget & Service Fee Rates
Meeting Date: May 23, 2024
PSERN Staff Contact: Michael Webb, Executive Director
Action: Discussion

SUMMARY:

This report presents a preliminary 2025 operating budget and service fee rates for the Board’s review and discussion. Based on feedback from this meeting, the 2025 budget will be brought forth for adoption by the Board at its June 2024 meeting.

BACKGROUND:

At its June 2023 meeting, the PSERN Operator Board approved a 2024 operating budget and schedule of service fee rates, which have been used throughout PSERN’s operations to date in 2024 to calculate user service fee billing and report on overall financial performance.

The approved 2024 budget also included forecasts for 2025-2028 (4 years). These forecasts considered the start of Motorola post-warranty support costs in 2026 and the application of Rate Stabilization funds (totaling \$2.6M) over a three-year period starting in 2026.

The following numbers of radios and consoles were used in calculating service fee rates in the 2024 budget and beyond:

- Public Safety radios – 13,616
- Non-Public Safety radios – 3,958
 - *Total Radios – 17,574*
- Consoles - 144

Several decisions were made during the development of the 2024 budget by the Board of Directors regarding the details of how specific types of expenses would be used to calculate service fees (% split of corporate admin costs, personnel costs and network operating costs between radios and consoles). These cost allocation methods are continuing to be used in the 2025 budget and service fee development process.

ANALYSIS AND DISCUSSION:

Proposed 2025 Operating Budget

A preliminary 2025 operating budget has been developed based on the 2024 budget and expenses from current operations. However, many categories of operating expenses are still high-level estimates as PSERN’s operational history and experience only extends from January 2024 to approximately the end of April 2024.

The following assumptions have been made in the development of the preliminary 2025 operating budget:

- Two (2) scenarios have been presented for discussion and consideration¹:
 - Scenario 1 – collection of 5% operating reserve to start in 2026; and
 - Scenario 2 – collection of 5% operating reserve to start in 2027.
- Headcount is projected to be 24 FTE in 2025 and remains constant through 2029.
- Wages have been calculated using a general wage increase consistent with the projections in the 2024 budget and with progression through pay steps for eligible staff in 2025.
- Costs other than wages and benefits were escalated by 3% for 2025 and all subsequent years (to be consistent with the projections in the 2024 budget) unless explicitly estimated, revised and/or updated.
- The following numbers of radios and consoles were used in calculating rates², which represents approximately:
 - Public Safety radios – 13,529
 - Non-Public Safety radios – 5,031
 - *Total Radios – 18,560*
 - Consoles – 143
- Network operating expenses, including lease costs, have been extensively reviewed and where possible, are based on actual costs incurred for the last few months of operations; however, certain expenses are still estimates and based on limited operational history and experience and will need to be adjusted as more operational experience is obtained.
- Certain errors, omissions and changes relative to the 2024 budget have been identified and addressed in the preliminary 2025 budget, including:
 - Addition of Radio Management software expenses - \$224K increase
 - Overestimation of standby expenses - \$366K decrease
 - Review of net lease and sub-lease expense - \$98K increase in expense
 - Review of fiber backhaul expenses - \$147K decrease

Overall, the 2025 preliminary budget is projected to increase by 2.7% from the 2024 budget, which is in line with the 2025 baseline projection in the 2024 budget.

Considerations for 2026 Operating Budget

Costs for Motorola post-warranty support are assumed to start on January 1, 2026. Motorola post-warranty support costs have been estimated based on the schedule of payments in Change Order 8 of the Motorola contract.

Rate stabilization funds (\$2.6M) have been applied using the methodology shown when the 2024 budget was approved, i.e. applied in 2026 onwards to smooth out the rates to offset some of the MSI post warranty support services that will start in 2026, as follows: \$1.4M in 2026, \$916K in 2027 and \$288K in 2028).

Because of the commencement of the Motorola post-warranty support, projected 2026 budget numbers

¹ As PSERN Operator will be in receipt of surplus project funds, the 2025 budget will not include collection of an operating reserve in 2025. This will need to be revisited when the 2026 budget is prepared.

² Radio / console numbers are preliminary as agencies have until June 1st, 2024 to provide their radio projection numbers for the 2025 budget.

are shown as increasing by 16.8% (scenario 1) and 10.5% (scenario 2).

PSERN management will be assessing the need for certain categories of Motorola post-warranty support services over the coming year. Many of the optional services included in the contract are not expected to be required as PSERN Operator technical staff complete training and become proficient in supporting and maintaining the radio network and supporting infrastructure. It is expected that the net increase in Motorola post-warranty expenses in 2026 will reduce from \$1.93M to approximately \$1.2-1.3M, although this reduction may require some revisions to staffing levels.

The proposed use of rate stabilization funds (starting in 2026) has not been updated since the 2024 budget was approved. As the 2026 budget does not need to be approved at this time, it is proposed that the use of rate stabilization funds be reviewed and updated as part of the 2026 budget development, in consideration of the expected increase in operating expenses due to Motorola support costs.

A summary of the PSERN Operator's proposed preliminary operating budget for 2025 and projected budgets for 2026-2029 are shown in Table 1 below. A more detailed budget report can be found in Appendix A.

Table 1: 2025 Budget Consolidated Operating Costs Summary - PRELIMINARY

**Puget Sound Emergency Radio Network Operator
2025 Budget (with 4 year proforma 2026 - 2029) - 80/20 & Refined Network Split
Consolidated Operating Costs - Summary**

Description	for reference	PROPOSED BUDGET					Total	Variance		
	Approved 2024	2025	2026	2027	2028	2029		Cur vs PY (\$)	Cur vs PY (%)	
	<i>annual increases for all expense categories (except salaries)</i>		3.0%	3.0%	3.0%	3.0%	3.0%			
Revenue - investment income	(25,000)	(25,000)	(25,000)	(25,000)	(25,000)	(25,000)	(125,000)	-	0%	
Salaries & benefits	5,558,710	5,490,880	5,710,520	5,938,940	6,176,500	6,423,550	29,740,390	(67,830)	-1%	
Employee related costs	90,270	109,050	112,320	115,680	119,150	122,720	578,920	18,780	21%	
Premise costs	213,020	212,080	218,440	224,990	231,730	238,680	1,125,920	(940)	0%	
Corporate technology costs	145,980	89,640	92,330	95,100	97,960	100,910	475,940	(56,340)	-39%	
Professional services	220,000	167,000	169,310	171,690	174,140	176,670	858,810	(53,000)	-24%	
King County services	1,500	1,500	1,550	1,600	1,650	1,700	8,000	-	0%	
Radio site facilities costs	1,557,930	1,689,550	1,712,610	1,749,380	1,793,430	1,839,990	8,784,960	131,620	8%	
Radio site systems costs	1,330,760	1,268,610	1,396,620	1,438,510	1,481,660	1,526,090	7,111,490	(62,150)	-5%	
Network technology costs	33,030	368,060	2,385,470	2,430,080	2,474,740	2,422,790	10,081,140	335,030	1014%	
Total Operating Expenses	9,126,200	9,371,370	11,774,170	12,140,970	12,525,960	12,828,100	58,640,570	245,170	3%	
		2.7%	25.6%	3.1%	3.2%	2.4%				
Scenario 1: "Smoothing" Rate	Operating Reserve	-	-	588,710	607,050	626,300	641,410	2,463,470	-	n/a
Stabilization Allocation, 5% Operating Reserve Beginning 2026	Rate Stabilization Funds	-	-	(1,414,480)	(916,790)	(288,130)	-	(2,619,400)	-	n/a
Total Operating Expenses	9,126,200	9,371,370	10,948,400	11,831,230	12,864,130	13,469,510	58,484,640	245,170	3%	
		2.7%	16.8%	8.1%	8.7%	4.7%				
Scenario 2: "Smoothing" Rate	Operating Reserve	-	-	-	607,050	626,300	641,410	1,874,760	-	n/a
Stabilization Allocation, 5% Operating Reserve Beginning 2027	Rate Stabilization Funds	-	-	(1,414,480)	(916,790)	(288,130)	-	(2,619,400)	-	n/a
Total Operating Expenses	9,126,200	9,371,370	10,359,690	11,831,230	12,864,130	13,469,510	57,895,930	245,170	3%	
		2.7%	10.5%	14.2%	8.7%	4.7%				

Service Fee Rates

The radio quantities used to determine the rates have been updated based on current best estimates, considering any changes and/or deactivations that are known at this time. User agencies have been provided with a deadline of June 1st, 2024 to provide their radio projections for the 2025 budget. Changes to radio counts will be incorporated into the final budget that will be presented to the Board in June.

Compared to the 2024 budget, the projected 2025 radio quantities have increased by 986 radios (~4.5%). This has resulted in a decrease in the 2025 budget service fee rates for public safety and non-public safety radios compared to the 2024 service rates (despite the 2.7% increase in the 2025 operating budget). As an operating reserve will not be collected in 2025, the 2025 service fee rates are not required to increase as projected in the 2024 budget. Rather, they will decrease by approximately 1% in 2025 if set to precisely recover budgeted operating expenses. As there is limited operational history and experience and some budget estimates are a rough order of magnitude, management is recommending that service fee rates for 2025 remain the same as the 2024 rates (with no reduction).

Console rates are projected to increase by less than 1% in 2025 (as console quantities decreased by 1 for the 2025 budget as a result of revising console equipment usage).

The proposed 2025 service fee rates for Public Safety and Non-Public Safety radios and Consoles for Scenarios 1 and 2 are provided in Table 2 below. The 2024 service fee rates are included in the table for reference.

Table 2: 2025 Budget Summary Rate Table PRELIMINARY

Puget Sound Emergency Radio Network Operator
 2025 Budget (with 4 year proforma 2026 - 2029) - 80/20 & Refined Network Split
 Operator Cost Allocation Rates - Summary Rate Table

Scenarios	PSERN Draft Rates (Monthly)																	
	Public Safety Radios						Non-Public Safety Radios						Consoles					
	2024	2025	2026	2027	2028	2029	2024	2025	2026	2027	2028	2029	2024	2025	2026	2027	2028	2029
Scenario 1: "Smoothing" Rate Stabilization Allocation, 5% Operating Reserve Beginning 2026	\$36.92	\$36.50	\$41.94	\$45.42	\$49.41	\$51.74	\$28.80	\$28.47	\$32.71	\$35.43	\$38.54	\$40.36	\$999.22	\$1,006.10	\$1,261.26	\$1,351.32	\$1,465.68	\$1,534.00
<i>annual % increase</i>		-1.1%	14.9%	8.3%	8.8%	4.7%		-1.1%	14.9%	8.3%	8.8%	4.7%		0.7%	25.4%	7.1%	8.5%	4.7%
Scenario 2: "Smoothing" Rate Stabilization Allocation, 5% Operating Reserve Beginning 2027	\$36.92	\$36.50	\$39.69	\$45.42	\$49.41	\$51.74	\$28.80	\$28.47	\$30.96	\$35.43	\$38.54	\$40.36	\$999.22	\$1,006.10	\$1,193.44	\$1,351.32	\$1,465.68	\$1,534.00
<i>annual % increase</i>		-1.1%	8.7%	14.4%	8.8%	4.7%		-1.1%	8.7%	14.4%	8.8%	4.7%		0.7%	18.6%	13.2%	8.5%	4.7%

Note: In 2026, the projected console rate increase is higher than radios. This is because of the significant increase in network operating expense in 2026, due to the commencement of Motorola post-warranty services and the allocation of those costs between radio and consoles.

Comparison to the 2024 Operating Budget and Services

The preliminary 2025 operating budget is 2.7% higher than the 2024 budget (increased from \$9.126M to \$9.371M. This is primarily attributable to the network operating costs (as corporate/admin expenses are projected to decrease by approximately 3% - \$159K):

- Radio Site Facilities Expenses: increase of \$132K, specifically related to estimates for site repairs and maintenance costs (including private powerline maintenance costs).
- Network Technology Expenses: increase of \$335K for tools and supplies, network consulting costs and the addition of radio management hosting and support.

RECOMMENDATION:

It is recommended that the Board review and consider the two (2) scenarios presented and confirm the scenario that staff should finalize to bring forward to the Board meeting in June. Staff will verify costs and assumptions to provide a detailed budget for the Board to approve. Furthermore, staff is also requesting that the board review and confirm its support for keeping the 2025 service fee rates at the 2024 rates.

SUPPORTING DOCUMENTATION:

Appendix A: 2025 Operating Budget Detail

Appendix A: 2025 Operating Budget Detail

Puget Sound Emergency Radio Network Operator
 2025 Budget (with 4 year proforma 2026 - 2029) - 80/20 & Refined Network Split
 Consolidated Operating Costs - Detailed

Description	Approved 2024	PROPOSED BUDGET					Total	Variance	
		2025	2026	2027	2028	2029		Cur vs PY (\$)	Cur vs PY (%)
<i>annual increases for all expense categories (except salaries)</i>		3%	3%	3%	3%	3%			
OTHER NON-OPERATING REVENUE									
Interest	(25,000) a	(25,000)	(25,000)	(25,000)	(25,000)	(25,000)	(125,000)	-	0%
SALARIES AND BENEFITS									
Salaries	3,330,270 e	3,584,320	3,727,690	3,876,800	4,031,870	4,193,140	19,413,820	254,050	8%
Overtime	351,580 e	364,690	379,280	394,450	410,230	426,640	1,975,290	13,110	4%
Standby/After Hours Pay	478,150 e	111,670	116,140	120,790	125,620	130,640	604,860	(366,480)	-77%
Benefits	1,398,710 e	989,040	1,028,600	1,069,740	1,112,530	1,157,030	5,356,940	(409,670)	-29%
ER Payroll Taxes	- e	441,160	458,810	477,160	496,250	516,100	2,389,480	441,160	n/a
EMPLOYEE RELATED COSTS	5,558,710	5,490,880	5,710,520	5,938,940	6,176,500	6,423,550	29,740,390	(67,830)	-1%
Training & Conferences	48,000 e	48,000	49,440	50,920	52,450	54,020	254,830	-	0%
Travel - Parking, Tolls	5,000 e	5,000	5,150	5,300	5,460	5,620	26,530	-	0%
Mobile Phone Service	22,270 e	12,150	12,510	12,890	13,280	13,680	64,510	(10,120)	-45%
Office Supplies	10,000 e	8,000	8,240	8,490	8,740	9,000	42,470	(2,000)	-20%
Postage, shipping	- e	2,000	2,060	2,120	2,180	2,250	10,610	2,000	n/a
Vehicle Fuel	- e	-	-	-	-	-	-	-	n/a
Misc Services	5,000 e	5,000	5,150	5,300	5,460	5,620	26,530	-	0%
Payroll Processing	- e	3,900	4,020	4,140	4,260	4,390	20,710	3,900	n/a
Safety Supplies	- e	25,000	25,750	26,520	27,320	28,140	132,730	25,000	n/a
Vehicle Maintenance	- e	-	-	-	-	-	-	-	n/a
PREMISE COSTS	90,270	109,050	112,320	115,680	119,150	122,720	578,920	18,780	21%
Lease Expense - Kent Office	109,490 a	112,770	116,150	119,640	123,230	126,930	598,720	3,280	3%
Utilities - Kent Office	58,430 a	58,090	59,830	61,620	63,470	65,370	308,380	(340)	-1%
Insurance - Kent Office	15,000 a	24,000	24,720	25,460	26,220	27,010	127,410	9,000	60%
Janitorial Services	12,080 a	12,010	12,370	12,740	13,120	13,510	63,750	(70)	-1%
Security Services	4,220 a	4,190	4,320	4,450	4,580	4,720	22,260	(30)	-1%
Phone Service	1,800 a	1,020	1,050	1,080	1,110	1,140	5,400	(780)	-43%
Phone Service VOIP	12,000 a	-	-	-	-	-	-	(12,000)	-100%
CORPORATE TECHNOLOGY COSTS	213,020	212,080	218,440	224,990	231,730	238,680	1,125,920	(940)	0%
IT Network Services - Kent Ofc	10,570 a	21,010	21,640	22,290	22,960	23,650	111,550	10,440	99%
Software License Subscription	99,160 a	6,300	6,490	6,680	6,880	7,090	33,440	(92,860)	-94%
GASB 87 Clearing - SBITA	26,250 a	31,630	32,580	33,560	34,570	35,610	167,950	5,380	20%
Tech Supplies	10,000 a	10,000	10,300	10,610	10,930	11,260	53,100	-	0%
Software Supp & Mtce - Admin	- a	20,700	21,320	21,960	22,620	23,300	109,900	20,700	n/a
PROFESSIONAL SERVICES	145,980	89,640	92,330	95,100	97,960	100,910	475,940	(56,340)	-39%
Legal Services	120,000 a	90,000	90,000	90,000	90,000	90,000	450,000	(30,000)	-25%
Consulting Services	100,000 a	75,000	77,250	79,570	81,960	84,420	398,200	(25,000)	-25%
Audit Services	- a	2,000	2,060	2,120	2,180	2,250	10,610	2,000	n/a
CASH MANAGEMENT SERVICES	220,000	167,000	169,310	171,690	174,140	176,670	858,810	(53,000)	-24%
Cash Management/Investment Services	1,500 a	1,500	1,550	1,600	1,650	1,700	8,000	-	0%
RADIO SITE FACILITIES COSTS	1,500	1,500	1,550	1,600	1,650	1,700	8,000	-	0%
Sublease Revenue	(583,840)	(554,670)	(567,360)	(586,960)	(607,280)	(628,330)	(2,944,600)	29,170	-5%
Leases - Sites	1,439,570	1,508,220	1,521,880	1,555,500	1,596,440	1,639,910	7,821,950	68,650	5%
Insurance - Sites	505,000 n	470,000	484,100	498,620	513,580	528,990	2,495,290	(35,000)	-7%
Tower Inspection Services	42,200	28,000	28,840	29,710	30,600	31,520	148,670	(14,200)	-34%
Tower Rigger Services	50,000	67,500	69,530	71,620	73,770	75,980	358,400	17,500	35%
Private Powerline R&M	-	20,000	20,600	21,220	21,860	22,520	106,200	20,000	n/a
Repairs & Maintenance - Facilities	75,000	126,500	130,300	134,210	138,240	142,390	671,640	51,500	69%
Road Maintenance	30,000	24,000	24,720	25,460	26,220	27,010	127,410	(6,000)	-20%
RADIO SITE SYSTEMS COSTS	1,557,930	1,689,550	1,712,610	1,749,380	1,793,430	1,839,990	8,784,960	131,620	8%
Fire Monitoring	8,360	8,620	8,880	9,150	9,420	9,700	45,770	260	3%
Fire Suppression	159,730	164,530	169,470	174,550	179,790	185,180	873,520	4,800	3%
Generator Maintenance	207,800	140,220	207,800	214,030	220,450	227,060	1,009,560	(67,580)	-33%
HVAC Maintenance	92,950	69,160	97,810	100,740	103,760	106,870	478,340	(23,790)	-26%
Fuel/Diesel - Sites	182,690	188,170	193,820	199,630	205,620	211,790	999,030	5,480	3%
Utilities - Sites	122,150	125,820	129,590	133,480	137,480	141,600	667,970	3,670	3%
E-Line / Fiber	447,080	300,090	309,090	318,360	327,910	337,750	1,593,200	(146,990)	-33%
Fuel Systems R&M	-	40,000	41,200	42,440	43,710	45,020	212,370	40,000	n/a
Site Parts/Supplies	60,000 n	120,000	123,600	127,310	131,130	135,060	637,100	60,000	100%
Transportation Services - Vehicle Fuel	50,000 n	60,000	61,800	63,650	65,560	67,530	318,540	10,000	20%
Transportation Services - Vehicle Maintenance	- n	52,000	53,560	55,170	56,830	58,530	276,090	52,000	n/a
NETWORK TECHNOLOGY COSTS	1,330,760	1,268,610	1,396,620	1,438,510	1,481,660	1,526,090	7,111,490	(62,150)	-5%
Network Software Maintenance & Support	6,610 n	-	-	-	-	-	-	(6,610)	-100%
Software - Network	19,810 n	35,000	76,050	78,330	80,680	83,100	353,160	15,190	77%
Jira software annual license	6,610 n	-	-	-	-	-	-	(6,610)	-100%
Tools & Supplies	- n	35,000	36,050	37,130	38,240	39,390	185,810	35,000	n/a
Software Support Expense	- n	223,060	269,630	276,370	283,280	291,780	1,344,120	223,060	n/a
Network Consulting	- n	75,000	77,250	79,570	81,960	84,420	398,200	75,000	n/a
MSI -post warranty support services (including upgrades)	-	-	1,926,490	1,958,680	1,990,580	1,924,100	7,799,850	-	n/a
	33,030	368,060	2,385,470	2,430,080	2,474,740	2,422,790	10,081,140	335,030	1014%
Total Operating Expenses	9,126,200	9,371,370	11,774,170	12,140,970	12,525,960	12,828,100	58,640,570	245,170	3%
Scenario 1: "Smoothing" Rate Stabilization Allocation, 5% Operating Reserve Beginning 2026									
Operating Reserve	-	-	588,710	607,050	626,300	641,410	2,463,470	-	n/a
Rate Stabilization Funds	-	-	(1,414,480)	(916,790)	(288,130)	-	(2,619,400)	-	n/a
Total Operating Expenses	9,126,200	9,371,370	10,948,400	11,831,230	12,864,130	13,469,510	58,484,640	245,170	3%
Scenario 2: "Smoothing" Rate Stabilization Allocation, 5% Operating Reserve Beginning 2027									
Operating Reserve	-	-	-	607,050	626,300	641,410	1,874,760	-	n/a
Rate Stabilization Funds	-	-	(1,414,480)	(916,790)	(288,130)	-	(2,619,400)	-	n/a
Total Operating Expenses	9,126,200	9,371,370	10,359,690	11,831,230	12,864,130	13,469,510	57,895,930	245,170	3%
subtotal - employee related	5,648,980 e	5,599,930	5,822,840	6,054,620	6,295,650	6,546,270	30,319,310	(49,050)	-1%
subtotal - corporate/admin	555,500 a	445,220	456,630	468,380	480,480	492,960	2,343,670	(110,280)	-20%
subtotal - radio	1,682,090 r	1,807,000	3,325,540	3,411,860	3,490,220	3,486,950	15,219,570	124,910	7%
subtotal - console	474,400 c	449,160	987,120	989,960	1,008,350	1,013,120	4,447,710	(25,240)	-5%
subtotal - network	765,230 n	1,070,060	1,182,040	1,216,150	1,251,260	1,288,800	6,008,310	304,830	40%
	9,126,200	9,371,370	11,774,170	12,140,970	12,525,960	12,828,100	58,640,570	245,170	3%



PSERN Board of Directors Staff Report Agenda Item #9

Title: PSERN Public Records Policy
Meeting Date: May 23, 2024
PSERN Staff Contact: Michael Webb, Executive Director
Action: Decision

SUMMARY:

This report presents a resolution (#24-03) to adopt a Public Records policy. PSERN is adopting a policy pursuant to Washington's Public Records Act (PRA), chapter 42.56 RCW to define responsibilities and procedures to be followed to provide access to public records.

BACKGROUND:

One public records access request has been received by the PSERN Operator since it was formed. The PSERN Operator timely and appropriately responded to that request with the assistance of its legal counsel (Pacifica Law Group).

Pacifica was engaged to draft the proposed policy and is continuing to provide guidance and support in the area of public records and records retention.

ANALYSIS/DISCUSSION:

The proposed policy provided in Attachment 1 further defines the responsibilities and procedures to be followed to provide access Public Records as defined in under Washington's Public Records Act (PRA), chapter 42.56 RCW.

It is the policy of PSERN to disclose and produce records in compliance with the PRA and other applicable provisions of federal or state law. PSERN provides access to information concerning the conduct of government, being mindful of grounds for lawful exemptions from production including individuals' privacy rights and security.

The proposed policy includes sections that address the following matters:

- Appointment and role of the public records officer
- Procedure for the public to request access to PSERN public records
- PSERN procedure for processing public records requests
- Exemptions from production of public records
- Completion of public records requests
- Records retention requirements

It should be noted that further updates regarding retention protocols for specific categories of records may follow.

RECOMMENDATION:

It is recommended that the Board approve the adoption of the PSERN Public Records Policy as shared in the meeting material packet.

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

MOTION: That the PSERN Operator Board approve Resolution 24-03 – Adoption of PSERN Public Records Policy.

CONCLUSION:

This report has presented a resolution (#24-03) to adopt a Public Records policy.

SUPPORTING DOCUMENTATION:

Attachment A – Proposed Public Records Policy

Attachment B – Draft Resolution 24-03

PUGET SOUND EMERGENCY RADIO NETWORK OPERATOR
PUBLIC RECORDS POLICY

I. Introduction

This policy, adopted pursuant to RCW 42.56.100, establishes the procedures the Puget Sound Emergency Radio Network Operator (“PSERN”) will follow to provide access to public records as defined under Washington’s Public Records Act (“PRA”), chapter 42.56 RCW. These procedures provide information to persons wishing to request access to public records maintained by PSERN and establish processes for both the requestors and PSERN staff who are designated to assist members of the public in obtaining such access.

PSERN is a voter-approved emergency radio system used for dispatching and communications between fire, law enforcement, and other agencies in King County. It is a simulcast 800MHz trunked radio system, utilizing P25 Phase II digital technology to broadcast via 61 radio sites between over 18,000 portable (hand-held), mobile (vehicle), and control station (desktop) radios, as well as dispatch center consoles, within the PSERN service area. PSERN is owned, managed, maintained and operated by the PSERN Operator, a governmental agency formed by an interlocal agreement among King County and 11 cities. Under that agreement, the PSERN Executive Director “shall keep records related to the PSERN System and PSERN Operator as required by law and in accordance with the policies, procedures and retention schedules as may be established by the Board of Directors.”

It is the policy of PSERN to disclose and produce records in compliance with the PRA and other applicable provisions of federal or state law. PSERN provides access to information concerning the conduct of government, being mindful of grounds for lawful exemptions from production including individuals' privacy rights and security.

Pursuant to RCW 42.56.580, PSERN has an assigned public records officer, identified on the PSERN website, who oversees compliance with the PRA. Other staff may assist in processing requests at the public records officer’s direction.

In accordance with the PRA, the public records officer or their designee will do the following:

1. Provide fullest assistance to requestors as provided by law; and
2. Ensure that public records are reasonably protected from damage, destruction, or disorganization.

Pursuant to RCW 42.56.070(4), PSERN has issued a formal order that it is unduly burdensome to maintain a central index of records as required by RCW 42.56.070(3) and will make available for public inspection and copying all indexes maintained for agency use.

No part of this policy is intended to create any private or other cause of action, nor to afford any right to

access records different or apart from what is provided under the PRA.

II. To make a public records request:

Any person wishing to request public records of PSERN should contact the public records officer. Information about PSERN records is also available on the PSERN website, and requestors are encouraged to review records on the website prior to submitting a request.

The public records officer or their designee will ensure compliance with the PRA, offering the fullest assistance to requestors while also preventing public records requests from causing excessive interference with essential functions of PSERN.

Requests should be made in writing to the public records officer by email at the address recordsrequest@psern.org; sent by mail; or hand delivered during normal business hours to the public records officer at the PSERN main office. While it may be permissible to submit requests in ways other than listed in this paragraph, choosing one of these options assures the most efficient receipt of, review of and response to a request.

Requests for public records should include the following:

1. The name and contact information of the requestor (such as an email address, street address, or telephone number) sufficient to provide notice and deliver records;
2. A request for identifiable records that is sufficiently specific to allow the public records officer or designee to locate the records. Please note that requests for information do not qualify as requests for identifiable records;
3. The date of the request's submission;
4. Whether the requestor would like to inspect rather than receive copies of the records and, if copies, how applicable payment will be made; and,
5. The date range of the records requested if not otherwise clear from the request language.

III. Upon receipt of a public records request:

1. The public records officer or designee will confirm receipt of the information and the substance of the request in writing.
2. PSERN will assign the request a tracking number and will keep a log of all such requests using their tracking number.
3. The public records officer or designee will evaluate the request according to the complexity of the request, the volume of requested records, and the availability of requested records.
4. Following the initial evaluation and within five (5) business days of receipt of the request, the public records officer or designee will do one of the following:
 - a. Make the records available; or

- b. Provide an internet address and link on PSERN's website to the specific records requested;
or
- c. Acknowledge receipt of the request and provide a reasonable estimate of when the records or an installment of records will be available (note that this estimate may be revised); or
- d. Acknowledge receipt of the request, ask the requestor to provide clarification as needed, and to the greatest extent possible provide a reasonable estimate of when the records or an installment of records will be available if the request is not clarified; or
- e. Deny the request with a written statement of specific reasons.

If the public records officer or designee does not respond in writing within five (5) business days, the requestor is encouraged to contact the public records officer to assure that the request was received.

Clarification may be requested via any reasonable method of communication and if provided will be memorialized in writing. If the requestor does not respond to a request for clarification, PSERN may respond only to those parts of the request that are sufficiently clear for PSERN to identify responsive records. If the requestor does not respond to a request for clarification and the entire request is unclear, then PSERN need not further respond to the request.

IV. Processing Requests

Electronic Records: PSERN retains most of its records in electronic format and usually will provide records in electronic format unless a paper copy is requested. The volume of records requested may determine the means by which electronic records will be delivered.

Charges for Copying: It would be unduly burdensome for PSERN to calculate its actual costs for providing public records for the following reasons: the agency does not have a set, singular method of providing records; providing records could involve any number of facilities, services, or staff members; determining actual costs in each instance would require substantial work and divert resources away from diligently responding to each request; conducting a cost study would divert limited resources from other essential functions and would not be warranted in light of all the above circumstances; and the statutory rates are reasonable approximations of actual costs. PSERN therefore adopts the charges set forth in RCW 42.56.120 for providing records. PSERN will assess charges consistent with the provisions of that statute. There is no fee for simply inspecting public records.

Deposits and Installments: PSERN may require a requestor to provide an initial deposit of up to ten percent (10%) of the estimated charge of providing copies in response to a given request. PSERN may provide records on an installment basis, and PSERN may charge for each installment as it is produced. If an installment is offered to a requestor but not claimed or reviewed within 30 days (or some other reasonable period of time that PSERN has specified), PSERN will not be obligated to fulfill the balance of the request.

Notice to Others: If the requested records contain information that might affect the rights of others and might be exempt from disclosure, the public records officer or designee may, pursuant to RCW 42.56.540, prior to producing the records, give notice to those whose rights may be affected, including by providing them a copy of the request. In some instances, third-party notice may be required by law. *See, e.g.,* RCW

42.56.250(2), regarding certain information in employee files, and RCW 42.56.590, regarding security breaches. The need to provide notice to third-parties may inform the reasonable time necessary for PSERN to complete its response to a particular request.

Order of Requests: PSERN will process requests in the order and manner determined to be the most efficient and fair among all requests and requestors.

Automated Requests: PSERN may deny or consider for ordering purposes any records request that the agency reasonably believes was generated by a bot, computer program, or script and is one of multiple requests received from a requestor within a twenty-four (24) hour period if responding to the multiple requests would cause excessive interference with other essential functions of the agency.

V. Exemptions from Production

Exemptions: If PSERN concludes that a record is to be withheld or redacted as exempt from disclosure, the public records officer or designee will state the specific exemption(s) and provide a brief written explanation of why the record or a portion of the record is being withheld. If PSERN later identifies additional exemptions that may apply, it will provide updated notice of those to the requestor. If only a portion of a record is exempt from disclosure, but the remainder is not exempt, PSERN will if technically feasible redact the exempt portions and provide the nonexempt portions.

A non-exhaustive list of commonly invoked exemptions within the PRA include RCW 42.56.230 (personal information); RCW 42.56.240 (protections related to investigative functions, law enforcement and crime victims); RCW 42.56.250 (employment information); RCW 42.56.270 (financial, commercial and proprietary information); RCW 42.56.280 (deliberative process); RCW 42.56.290 (agency party to a controversy); and RCW 42.56.410 (security).

For informational purposes, following is a non-exhaustive list of laws other than the exemptions within the PRA that PSERN believes would be incorporated by RCW 42.56.070(1) and would exempt or prohibit disclosure of specific information or records:

- Privileged communications, including the attorney-client privilege, RCW 5.60.060
- Trade secrets, chapter 19.108 RCW
- Medical records in certain circumstances, RCW 68.50.105 and chapter 70.02 RCW
- Records of a person confined in jail under certain circumstances, RCW 70.48.100
- Criminal records under certain circumstances, chapter 10.97 RCW
- Juvenile records under certain circumstances, chapter 13.50 RCW
- Vehicle or driving records in certain circumstances, RCW 46.12.635; RCW 46.52.130
- Washington State Patrol information under certain circumstances, RCW 43.43.710
- Information automatically or voluntarily submitted through 911 communications under certain circumstances, RCW 38.52.575, .577
- Identities of confidential informants, RCW 9.73.230

- Information about sex or kidnapping offenders under certain circumstances, RCW 4.24.550

VI. Completion of Requests

Closing Requests: When the requestor either withdraws the request, fails to clarify an entirely unclear request, fails to make payment, or fails to claim or review an installment within the time provided, the public records officer or designee may close the request and notify the requestor of closure. When all requested records have been provided, the public records officer or designee will close the request and notify the requestor that the request has been closed. A description of the outcome will be memorialized in PSERN's public records log.

Closing letters must be written in plain language and should include at least the following information: (1) how the PRA request was fulfilled and why PSERN is now closing the request; (2) that the PRA's one-year statute of limitations to seek judicial review has started to run because PSERN does not intend to further address the request, and (3) that the requestor may ask follow-up questions if they wish within a reasonable, specified, time frame.

Agency Review: Any person who objects to PSERN's response to their public records request may, within ten (10) business days from the date of the response, petition in writing to the PSERN Executive Director for an administrative review. The petition may be delivered to the public records officer to be forwarded to the Executive Director. The petition should identify the public records request and PSERN's response, and it should explain the basis for the requestor's objection and the administrative remedy requested. The Executive Director shall promptly consider the petition and either affirm or modify the agency's response. The Executive Director shall endeavor to respond to the petition within five (5) business days or as soon thereafter as practicable.

Later Discovered Documents: If, after PSERN has informed the requestor that it has provided all available records, PSERN becomes aware of additional responsive records existing at the time of the request, it will endeavor to provide them to the requestor.

VII. Records Retention

PSERN retains its records in accordance with the requirements of chapter 40.14 RCW as well as local schedules including the Washington State Local Government Common Records Retention Schedule (CORE), the Law Enforcement Schedule, and the Emergency Communications Schedule where applicable.

PSERN has established the following record retention schedules for certain records, if retained by PSERN, that meets or exceeds the preceding retention schedules:

1. Washington State Emergency Communications (911) Records Retention Schedule:
 - a. Radio Logs – 60 days after date of last entry

- b. Computer-Aided Dispatch (CAD) – Incident Files Individual descriptive reports and summaries of all calls for services processed through local Public Safety Answering Points (PSAP), statewide default answering points, or other emergency answering points - 1 year after end of calendar year
2. Washington State Fire Protection and Emergency Medical Services Retention Schedule:
- a. Radio Logs – 90 days after date of document
3. Washington State Law Enforcement Records Retention Schedule:
- a. All Radio Transmissions – 90 days after conclusion of dispatch action
 - b. Non-emergency incident reports - 90 days after report received or conclusion of dispatch action, whichever is later
4. Washington State Local Government Common Records Retention Schedule
- a. Major and regulated maintenance - 6 years after asset no longer owned by agency
 - b. Minor maintenance - 3 years after end of fiscal year
 - c. Accounting/Financial Transactions - 6 years after end of fiscal year



PUGET SOUND EMERGENCY RADIO NETWORK OPERATOR

(Draft) RESOLUTION NO. 24-03

RESOLUTION OF THE PUGET SOUND EMERGENCY RADIO NETWORK OPERATOR ADOPTING A PUBLIC RECORDS POLICY

RECITALS

WHEREAS, in accordance with Section 14 of the Puget Sound Emergency Radio Network Operator Interlocal Cooperation Agreement (the “Interlocal Agreement”), by and among King County and the cities of Auburn, Bellevue, Federal Way, Issaquah, Kent, Kirkland, Mercer Island, Redmond, Renton, Seattle, and Tukwila, the Board of Directors (the “Board”) of the Puget Sound Emergency Radio Network Operator (“PSERN Operator”) is responsible for managing and producing public records of the PSERN Operator in compliance with state law including the Washington Public Records Act, ch. 42.56 RCW; and

WHEREAS, RCW 42.56.100 directs that agencies shall adopt and enforce reasonable rules and regulations “to provide full public access to public records, to protect public records from damage or disorganization, and to prevent excessive interference with other essential functions of the agency; and

WHEREAS, after due consideration the Board now desires to adopt the Public Records Policy as set forth herein;

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE PUGET SOUND EMERGENCY RADIO NETWORK OPERATOR AS FOLLOWS:

Section 1. Adoption of Public Records Policy. The Board hereby approves and adopts the Puget Sound Emergency Radio Network Operator Public Records Policy, which is attached hereto as Exhibit A and is incorporated herein by reference.

Section 2. Delegation of Director’s Authority. The Board hereby appoints a public records officer to be named by the Executive Director. The Board delegates the authority of the Director to respond to public records requests under paragraph 14.3 of the Interlocal Agreement to the public records officer per the Public Records Policy, except as otherwise specified in the policy.

Section 3. Order on Indexing. Pursuant to RCW 42.56.070(4), given the volume and form of the records at issue, the Board hereby formally orders that it is unduly burdensome to maintain a central index of records as required by RCW 42.56.070(3). PSERN will make available for public

inspection and copying all indexes maintained for agency use.

Section 4. Severability. If any section, subsection, paragraph, sentence, clause or phrase of this resolution is declared unconstitutional or invalid for any reason, such decision shall not affect the viability of the remaining portions of this resolution.

Section 5. Effective Date. This resolution shall take effect immediately upon its passage and adoption.

ADOPTED by unanimous vote at a regular meeting of the Puget Sound Emergency Radio Network Operator Board of Directors on this 23rd day of May, 2024.

Chief Harold Scroggins, Chairperson, Board of
Directors,
Puget Sound Emergency Radio Network
Operator