

**EXECUTIVE BOARD
SUMMARY OF MINUTES**

October 18, 2010
9:30 a.m.

Mayor's Conference Room
Redmond City Hall, 4th Floor
Redmond, Washington

PRESENT: John Marchione, Kurt Triplett, Rich Conrad, Ava Frisinger

ALTERNATES: Mike Eisner (for Steve Sarkozy)

ABSENT:

OTHERS PRESENT: Mark Hagreen, Mike Ursino, Scott Hatfield, Jessie Morgan

1. Call to Order
The meeting was called to order at 9:35 a.m. by John Marchione, who presided.
2. Roll Call
3. Approve Agenda
Rich Conrad motioned to approve the agenda; it was seconded by Kurt Triplett and carried 5-0.
4. Consent Agenda
5. Report of Operation Committee
Mark Hagreen advised that the Operations Committee had two meetings regarding the action item on the agenda: the 2011/2012 Budget and 2011 Access Fee Recommendation.
6. Action Items
 - a) **2011/2012 Budget and 2011 Access Fee Recommendation**
Scott Hatfield presented the proposed 2011 budget and access fee recommendation and a draft 2012 budget for consideration. He has tried to cut the budget wherever possible in order to keep the rate the same. In order to make up the difference of \$35,000 he is proposing we decrease the replacement reserve collection by \$36,630. The reserve collection had been set at \$270,000 per year in 2004 based on a policy decision by the Executive Board, recognizing that we would never be able to collect enough to replace the system. By collecting \$233,370 instead, he thinks we will be able to keep the rate at \$30.73.

Three other options in the budget were discussed (3%, 5% and 10% rate increases) which brings the collection amount back up to \$270,000. The options also have slight variances in operating costs and application of interest earnings. The Operations

Committee is recommending we use less replacement collection and not have a rate increase for 2011. His intention is not to have the reduction in replacement reserves be a permanent reduction but rather bring it back to \$270,000 at some point. He then reviewed several of the line item changes in the budget. After discussion, it was suggested that personnel costs could be shown as a lump sum, with salaries broken out from benefits. He also forecasted that there would likely be a rate increase for 2012. He requested that any agencies that may be turning off radios, advise EPSCA ahead of time, if possible. We have lost a large number of radios recently from the Bellevue School District. Questions arose about the console maintenance technician position, which was to be funded partially by the console maintenance contracts. Scott noted that he would be meeting with Bothell, Issaquah and Redmond, but the revenue has not been realized yet for 2010; they have indicated an intent to sign contracts for 2011. Another source of revenue he expects would be \$75,000 in rebanding for the physical work in reprogramming the radios; this would be work we would do but paid for by Nextel.

John Marchione noted he sees four budget issues: the replacement reserves are not fully funded; the console maintenance technician revenue has not been realized yet; possible changes to the rate structure and potential rate increases. What work has been done on this and when might we see something, does his budget reflect this? Scott replied that this budget does not reflect this, there has not been time to do so. The mayor asked what have we been talking about for the past two years, he really wants to see this in the budget.

Rich Conrad motioned to approve the proposed 2011 budget as recommended by the Operations Committee; it was seconded by Ava Frisinger and carried 5-0.

Scott Hatfield stated that for the next meeting, he would have a complete breakdown of each capital project and the expenditures to date.

b) Bid Award Memo - Executive Authority

Scott Hatfield reports that we have a successful bidder for the Coal Creek project. A bid award memo will need to be signed by the Executive Board and sent out within a 45 day window in order to continue with the project. After discussion, it was agreed it would be prudent to grant the Operations Manager executive authority to sign the bid award memo due to the time sensitive nature. Kurt Triplett motioned to grant the executive authority to sign the bid award memo to Scott Hatfield for the Coal Creek project, it was seconded by Ava Frisinger and it carried 5-0. After discussion a motion was made by Kurt Triplett that the same authority be granted for the Canyon Park project contract once a successful bidder is selected, with the caveat that the bid is within budget. The motion was seconded by Ava Frisinger and it carried 5-0. It was noted that awarding a contract is one thing, but the Board still needs to accept all contracts.

Rich Conrad noted that at the last meeting Scott mentioned that there were some ambiguities in the relationship in how the Operations Committee and the Executive Board and his own role were laid out. He and Scott met to discuss this; Karen Reed Consulting might be used to help walk through the process. He did not see this as a big project, a small consultant contract to lay out some of the issues. Scott would come back with a proposal from Karen Reed with the kinds of things that could be done; nothing would be done until this is discussed at the next meeting. Kurt Triplett noted that he is familiar with Karen Reed's work, but he asked about our current process and wanted

to make sure we were not directing a specific thing outside of the normal process, do we need to make calls to other consultants? Rich stated that we are fairly liberal in our ability to go out and hire consultants other than architects and engineers.

Jessie Morgan advised the Board that the State Auditor's Office has begun their audit of EPSCA for 2007-08-09; this will be an Accountability for Public Resources and Legal Compliance Audit. She will be working closely with the auditor during the course of the audit; which they have estimated at 100 hours plus mileage; we have to pay for the audit and have money set aside in the 2010 budget. She has had clean audits in the past and does not expect this one to be any different. Scott Hatfield commended Jessie for the hard work and extra hours she put in to prepare for the audit on very short notice

7. Other / Information

8. Executive Session

None.

9. Adjourn

Being no further business, the meeting was adjourned at 10:18 a.m.

**Next Meeting
Scheduled for:**

**November 10, 2010
(Wednesday due to Veterans Day)**