



MEETING AGENDA

MEETING: Valley Communications Center (VCC) Administration Board
LOCATION: VCC Board Room
DATE & TIME: Friday, May 2, 2014 at 1000 hours

If an item below is bolded, related documents follow the agenda

1. Welcome and Introductions
2. Report from any Member
3. Report from Operating Board Chair
4. Report from the Executive Director
5. Action item
 - a. **2014 Budget Adjustment Resolution # 116 - Agenda Report**
 - b. **Biennial Budget - Resolution # 117**
 - c. **LGIP - Resolution # 118 - Agenda Report, Prospectus, Transaction Authorization Form**
 - d. **Meeting Minutes Approval from March 7th, 2014**
 - e. **Voucher Approval**
6. Next scheduled meeting - June 6, 2014
7. Adjourn





AGENDA REPORT

TO: Valley Communications Center (Valley Com) Administration Board
FROM: Tatyana Bogush-Stakhov, Finance Manager
THROUGH: Lora Ueland, Director
DATE: May 2, 2014
SUBJECT: 2014 Budget Amendment – Resolution 116

There are changes that require adjustments to the 2014 budget. Three of the ten adjustments to uses are related to projects approved in the 2013 budget, but not fully completed in 2013. Seven are new requests, two of which are for the same item and have been previously discussed with the Boards. The following is an explanation for the seven new budget adjustment items. All ten adjustments are listed under the Adjustments Uses section in Exhibit A to the Resolution 116.

Operating Fund – 501

Human Resources Specialist Position (New permanent FTE) (\$52,436 for 8 month):

History: Valley Com first hired an HR resource in 2001 providing human resource support to 103 employees. By 2012 the FTE count had grown to 130 employees and we had entered the realm of managing a partially self-funded health care plan with the goal of balancing quality health care benefits with keeping costs down. The transition from AWC, a fully managed Employee Benefit Trust, to an employer managed plan has required significantly more attention and focus from the HR Manager than previously necessary.

The high paced and stressful nature of the work done by Valley Com personnel can and often does negatively impact employees in physical and psychological ways. Having one HR resource does not allow for depth in availability to the employees. In addition, Valley Com's Strategic Positioning Process identified the need to ensure adequate succession planning existed. The human resource field requires specialized knowledge, skills and abilities that does not lend to back up by other internal departments.

There are numerous projects such as upcoming contract negotiations with both labor groups which are expected to be challenging, Project RETAINS (employee retention study), and CALEA re-accreditation efforts that will compete with day to day functions. The HR Manager must often reprioritize work projects in order to deal with the person and their immediate need. This has already impacted the project schedule of the Center as HR supports the efforts of all departments.

Proposal: To add the Human Resources Specialist position as a permanent fulltime (1) FTE to support the ongoing effort to continue providing the high quality service our employees deserve. In 2014, the position is budgeted for 8 month.

Advantages: The HR function supports all employees of Valley Com and strives to hire, build and retain high-quality employees. This, in turn, supports the mission of each



owner/contract agency. Approval of this position in 2014 will allow for a dedicated resource for management of health benefits and necessary depth in the HR Department to address the needs of our employees.

Disadvantages: Additional ongoing expenditure.

Transfer Out to Healthcare Insurance (New FTE medical) (\$14,737):

This request is to transfer employer paid portion of medical premiums for the Human Resources Specialist position from the Operating Fund to the Healthcare Insurance Fund, where premiums collected and claims paid are accounted for.

Lakeland Hills Paging Site Lease (\$11,000):

This request is for the unexpected paging site lease cost of \$1,000 per month at the Lakeland Hills water tank location. Beginning February 2014, Valley Com is leasing this paging site from the City of Auburn, which has an internal policy requiring lease payments for all non-city owned and operated equipment.

HVAC Data Center Remediation (\$25,000):

This request is for the funds to take the first steps in identifying the root cause and solution options including cost to remediate the inadequate cooling capacity, low humidity, and lack of air flow within the Valley Com's datacenter. The datacenter houses all of Valley Com's Public Safety systems, i.e. CAD, radio, paging and is critical for Valley Com to protect for our continuity of operations and infrastructure investments.

VCC Facility – Duct Cleaning (\$35,000):

This request is for the funds to clean and inspect Valley Com's HVAC duct work throughout the facility. We have experienced equipment issues from the build-up of material in the ducts and we need to prevent any health or sensitivities issues related to air quality in the facility.

VCC Facility – UPS Capacitor Replacement (\$28,000):

This request is for the funds to replace Valley Com's UPS capacitors. The AC and DC capacitors are several years past their replacement cycle and were not originally enrolled in the Valley Com's equipment replacement schedule. This year Valley Com has experienced capacitor failure at our radio sites. There is a risk of capacitor blowing/failing at the Valley Com facility, which would take the building off line and damage the UPS system resulting in a much higher cost of replacing the entire UPS system.

Transfer Out to Contingency (\$862,605):

This request is to transfer surplus fund equity from Operating Fund to Contingency Fund, which will bring Contingency Fund to the recommended funding level of 12% of the annual operating expenses. The funding level is established per Resolution 114.



Finance Committee Review: The Committee met on April 17th, 2014 and discussed the staff requests. They recommend 2014 Budget Adjustment approval.

Operations Board: The Board approved 2014 Budget Adjustment on April 24, 2014 and recommended adoption by the Administration Board.

ACTION REQUESTED – Consider the following motion:

“I move to adopt Resolution 116 amending the 2014 Budget as discussed in staff’s report and set forth in Exhibit A to the Resolution.”

