



# KING COUNTY AUDITOR'S OFFICE

June 25, 2020

TO:  
Metropolitan  
King County  
Councilmembers

FROM:  
Kymber Waltmunson,  
County Auditor

## PSERN Schedule Slipping, Costs Increasing, Contingency Dwindling, Risk of Further Delays

**The Puget Sound Emergency Radio Network project schedule has slipped five months since our October 2019 update.**

Reasons for delays include:

- delays in ethernet infrastructure caused a several-month delay to transition dispatch centers to the Puget Sound Emergency Radio Network (PSERN) system
- shifting project schedules caused delays to dispatch training and Motorola availability
- tower completion delays continue, but dispatch challenges now drive the project pace.

**There has been a \$6.5 million project cost increase since January.** Delay expenses for five months alone created extra overhead costs of \$1.7 million.

- Tower site construction bids are higher than anticipated.
- Several mountain tower sites have unsuitable foundation conditions requiring design changes and/or boulder removal.

There is potential for further delays if PSERN does not complete all 20 remaining towers before next winter. This is a pace rarely achieved by the PSERN team. Delays equal higher overhead expenses such as staff, generator fuel, leases, and office space at close to \$350,000 per month.

**If levy revenue simply remains constant at the 2020 amount for 2021-2024, PSERN would receive \$8.7 million less than the Office of Economic and Financial Analysis' past revenue estimates.** COVID-19 impacts to property assessed values and tax revenues are unknown.

**Only \$10.7 million of contingency funds remain.** This means that economic pressure on levy proceeds creates little room for further delays or tower site changes due to unforeseen conditions and the budget remains at risk.

### Potential considerations or actions:

- The PSERN team may need to consider leases on the towers as an income source at end of the project.
- The County Council may wish to request a briefing from the PSERN team in the last quarter of 2020 to hear more about the PSERN schedule, and revenue and expense forecasts.

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Michael Bowers, capital projects oversight analyst, conducted this review. Please contact Michael or me if you have any questions about the issues discussed in this letter.



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