Board of Directors
MINUTES
September 27, 2012

Phoenix City Council Chambers
200 West Jefferson Street
Phoenix, Arizona 85003

Board Members Present			**Board Members Absent**
Wade Brannon	Mike Frazier	Danny Johnson	Susan Thorpe
Steve Campbell	Mark Gaillard	Charlie Meyer	Tim Van Scoter
Wayne Clement	Jim Haner	Marc Walker	
Bob Costello	Bob Hansen	Paul Wilson	
Chris DeChant	Brad Hartig	Ed Zuercher	
David Fitzhugh	John Imig*		

*Board Alternate

Staff and Public Present

John Bennett	John Gardner	Rick Kolker	Dave Scott
Brenda Buren	Nolberto Gem	Teresa Lopez	Vicky Scott
Kelli Butz	Joe Gibson	Chris Nadeau	Dale Shaw
Jim Case	Loretta Hadlock	Cy Otsuka	Nick Spino
Dave Clarke	Jennifer Hagen	Ron Parks	Shannon Tolle
Dave Collett	Jim Hanes	Bill Phillips	Timothy Ulery
Jesse Cooper	Dave Heck	Harold Pierson	
Greg Dominguez	Stephanie Heckel	Michelle Potts	
David Felix	Lonnie Inskeep	John Rush	

1. **Call to Order, Roll Call and Opening Comments**

   Vice Chair Campbell called the meeting to order at 10:03 a.m. Roll call was taken and a quorum reached.

   Vice Chair Campbell thanked Mr. Meyer for his service as the previous Board Chair, and also stated that current Board Chair Ms. Thorpe was out of the country.

2. **Approval of RWC Board Meeting Minutes from May 24, 2012**

   A **MOTION** was made by Mr. Hartig and **SECONDED** by Mr. Meyer to approve the minutes as presented. **MOTION CARRIED UNANIMOUSLY (16-0)**.

3. **Town of Paradise Valley Membership**

Mr. Felix briefed the Board on the history leading up to the Town of Paradise Valley applying for membership. The process began back in 2010, starting with a cost analysis and technical plan however Paradise Valley was not able to follow through with membership due to the bad economy. In early May 2012, Paradise Valley contacted the RWC to again begin the process. During the past few months, Paradise Valley and the RWC have had numerous meetings and site visits, moving Paradise Valley closer to membership. Motorola has also been involved; analyzing current infrastructure and also working to see what will be needed for a new site.

The Town of Paradise Valley held a Town Council meeting on September 13, 2012 and authorized the Town Manager to enter into the IGA with the RWC. According to the Governance, Paradise Valley has met all requirements to join the RWC.

Paradise Valley Police Chief John Bennett addressed the Board, thanking RWC staff for their hard work over the last several months. Paradise Valley looks forward to being a contributing member of the RWC, and is working to get the infrastructure completed this fiscal year and equipment purchased next fiscal year.

Mr. Felix also reminded the Board that there isn't an immediate financial obligation to Paradise Valley, other than their infrastructure. It is still appropriate for them to join the Board and have a vote, even before they are financially obligated to the RWC.

A **MOTION** was made by Mr. Zuercher and **SECONDED** by Mr. Frazier to approve the Town of Paradise Valley as an RWC member. **MOTION CARRIED UNANIMOUSLY (17-0)**.

Vice Chair Campbell asked Paradise Valley Board Member John Bennett to take his seat at the Board table.

4.   **RWC Annual Report**

Mr. Felix stated that last year's Annual Report was the first one for the RWC, and was used as a template for this year. The Annual Report isn't called for in the Governance, but is a useful tool that everyone can refer to throughout the year.

The 2012 Annual Report has an emphasis on the relationships that are being built with other organizations. The RWC has been working closely with the TRWC in making sure that the two systems are compatible and users are provided with good service. There are many references in the Annual Report to "joint" committees, showing that there has been an effort to work together on projects and issues.
Mr. Felix also referenced the system performance statistics in the Annual Report, showing that, throughout the year, the system has performed at or near 100%.

There have been no significant issues that a user would have noticed at any point, which is an outstanding accomplishment for such a large, complex system.

A **MOTION** was made by Mr. Frazier and **SECONDED** by Mr. Hansen to approve the RWC Annual Report. **MOTION CARRIED UNANIMOUSLY (18-0)**.

5.   **RWC Annual Audit**

Mr. Felix reminded the Board that the Governance calls for an annual audit to be performed, and this year Clifton Larson Allen (CLA) has again been hired to conduct the audit. Fieldwork will begin in October, and in November their findings will be ready for an Audit Committee to review. The Committee will then make recommendations for changes or accept the report and submit it to the Board for approval.

A recommendation has been made by CLA to have an Audit Committee composed of 3-5 members who would serve for 2-3 years for consistency sake. Also it was suggested that a rotation be established where a member would be replaced every year rather than establishing a new committee every year. The members of last year's Audit Committee were Mr. Walker, Mr. Gaillard and Mr. Haner. Mr. Felix suggested that, if willing, the same members would serve this year. All of last year's members were willing to volunteer again.

A **MOTION** was made by Mr. Meyer and **SECONDED** by Mr. Zuercher to approve Mr. Walker, Mr. Gaillard and Mr. Haner to the Audit Committee. **MOTION CARRIED UNANIMOUSLY (18-0)**.

6.   **RWC Customer Cost Model**

Bill Phillips conducted a briefing to the Board outlining the proposed Customer Cost Model. The Cost Model would be used to permit operational use of the RWC network by a non-member. This issue has been discussed for many years, especially between the RWC and the TRWC, but a cost model has not been agreed upon to date. Two different suggestions have been made; a RWC Cost Model and a TRWC Airtime Billing Model.

The main issue is what a fair and equitable cost is to charge customers who do not what to become members of the RWC. The RWC model proposes charging customers 2 times the Operation & Maintenance rate (O&M). Half would go towards O&M and half would go towards future capital recovery (for example if more capacity was needed in the future).
The RWC Operational Working Group (OWG) and the Executive Committee (EC) have reviewed and recommended this Cost Model, and recommend approval to the Board.

Mr. Meyer asked how much money was being discussed, and what the recovery charges would be used for. Mr. Phillips answered that the capital recovery cost is what it would cost to add a channel to all of the overlay sites; once current capacity is reached. If additional capacity is never needed, the Board has the discretion on how to use the money.

Mr. Wilson asked how the TRWC has responded to the Cost Model proposal, and also if there is a negative impact to the Mesa Police Department communications (other than budgetary). Mr. Phillips answered that the TRWC and the RWC have not agreed to date on a cost model, but that there shouldn't be any impact to the TRWC because they are building a site at Shaw Butte to cover their needs. Mr. Felix also followed up that it is a financial decision for the TRWC or anyone else that is interested in becoming a customer. To date there hasn't been large usage of the Mesa Investigations talkgroups and it is believed that this would generally be a small number of radios for anyone who is interested. The Cost Model was developed to be an option for non-members to have daily operational use of the RWC system.

Mr. Meyer wanted to know the previous year's airtime usage from the TRWC, but Mr. Phillips stated that would be hard to gauge but it is usually less than a minute per month (probably because the cache radios were assigned to a different group than who was originally going to use them). Airtime charges have been negligible to date, and would continue if the Airtime Model was used. Mr. Meyer wanted to know if the TRWC building a site at Shaw Butte was a direct result of the possibility of paying the new Cost Model at 2 times O&M rate.

Mr. Felix stated that it is his understanding that Mesa and the TRWC were planning to build the Shaw Butte site regardless of the outcome of the Customer Cost mode discussions.

Mr. Meyer also wanted to state that he is concerned about taxpayers paying for two systems and additional infrastructure that do the same thing.

Mr. Hartig stated that current Members brought their capacity to the system, but additional infrastructure will be needed in the future if customers are added, and having the capital recovery money available will help pay that cost.

Mr. Wilson supports a model and 1 time the O&M cost per radio, but doesn't support the 2 times O&M. He thinks it should be revisited in the future, and not charged for now.

Mr. Felix said that it doesn't affect the current IGA, and the Board must decide what it is comfortable with regarding non-members having operational access to the RWC system. TRWC has greater needs beyond what they currently use on the RWC system; those would be covered by the Shaw Butte site. The TRWC announced that the Shaw Butte site should be active in spring 2013.

Mr. Imig asked if the two current talkgroups assigned to the TRWC would be eliminated once the Shaw Butte site was operational. Mr. Felix said that yes, those two talkgroups would be covered by the Shaw Butte site but the TRWC would still have cost-free interoperability with the RWC.

Mr. Zuercher asked if the Shaw Butte site was being built because of the two times O&M and may not be built if it was kept at one time O&M. Mr. Felix thinks the site would be built either way.

Mr. Dale Shaw stated that they (TRWC) have a need well beyond 35 radios, so it is more of a capability issue. He stated that it doesn't make sense for TRWC to pay two times O&M rate for 200+ radios that may never enter the area or use the airtime; probably cheaper to build a new site than to pay for usage they don't need.

Vice Chair Campbell expressed his concerns that this Model may be perceived as a "wedge" between the RWC and TRWC relationship, and may not help the collaborative effort. Mr. Felix addressed the Board that this issue has been ongoing for some time and the OWG & Executive Committee felt that there needed to be a decision made; especially since it was considered a temporary fix. Ultimately, Mr. Felix's desire is still to have an integration of the two systems into one and be managed by one Board. He added that the RWC is still open to further discussions with the TRWC on this point.

Mr. Meyer wanted to recognize the work done by the OWG on this issue and acknowledges that they were working towards a fair solution. The larger picture is that there will be additional funds spent and if this Model is approved no one may make use of it. Mr. Meyer does not support this Cost Model as proposed, and thinks that merging of the two systems is still the ultimate goal.

A **MOTION** was made by Mr. Wilson to create a new customer category and billing model based one time the O&M rate. No **SECOND** made, **MOTION FAILED**.

Mr. Zuercher suggested that there be a Board level working group created to further discuss this issue, and volunteered to be a member of that group. Mr. Zuercher also asked that Mr. Meyer and Mr. Wilson participate on the working group as well. This would give more time to discuss possible options or a solution to the Cost Model. Mr. Felix agreed that creating a working group is a good idea and would help staff work through the issue. There is a strategic planning session coming up next week and that may be a good time for the two groups (RWC & TRWC) to discuss future options.

Mr. Hartig and Mr. DeChant volunteered to staff the working group along with Mr. Zuercher, Mr. Meyer, and Mr. Wilson if needed.

A **MOTION** was made by Mr. Zuercher and **SECONDED** by Mr. DeChant to continue this item until the November 15, 2012 Board Meeting allowing the group to discuss possible options. **MOTION CARRIED UNANIMOUSLY (18-0)**.

7. **RWC 700 MHz Narrow-Banding, TDMA Conversion and Lifecycle Upgrades**

Mr. Phillips presented a PowerPoint to the Board to brief them on the upcoming requirements for the projects. This project is required to meet a FCC mandate by January 2017 and has a current budget of $42.5M. The RWC has filed a petition and the FCC may delay their mandate, but the status is not known at this time. A notice of Proposed Rule Making (NPRM) is due out from the FCC in the next month or so to seek comment regarding the 2017 deadline.

A decision needs to be made if the project should be done as one, or separated into two projects; a hardware upgrade and then TDMA conversion, for financial reasons. If done in two projects, capacity would be temporarily reduced by 35% which could cause busy signals on the system. Additional capacity would need to be added at a cost of $6.9M to avoid that potential issue. If the project could be completed as one, then this additional capacity would not be needed.

Mr. Phillips stated that the current plan is to finance the total cost over 6 years, but asked if this plan is still applicable or if other options need to be looked at. Final decisions need to be made by the end of the calendar year or early next year at the latest.

Vice Chair Campbell expressed his concerns regarding any impact to capacity and how that would affect public safety officers on the street. Mr. Phillips acknowledged that there could be an increase in busy signals when a user pushed the button to use their radios. He explained that users are not accustomed to this and it is not acceptable. Mr. Felix stated that testing the reduced capacity isn't an option because of the time it would take to fix the problem if it was not implemented at the beginning (6 months or more); shouldn't take a chance and include the extra capacity in the plan.

Mr. Meyer wanted to clarify that separating the project into two parts was purely a financing issue not a technical issue. Mr. Phillips said that was correct. The subscriber number is so large that it is a huge cost for the Members to provide. If all the money could be made available at once, then the extra capacity would not be needed, saving the $6.9M.

Mr. Zuercher would like a cost analysis performed to see if the extra capacity can be avoided; is there a way to get the money upfront and cover agencies that may not have all the money available? Mr. Zuercher agreed to talk to the City of Phoenix Finance Department and see what financing options are available to avoid the extra cost. Mr. Zuercher is not promising that the City of Phoenix will cover this cost, but will look into funding mechanisms, and report back at the November meeting.

8.   **Executive Director's Report**

    a. **Strategic Communications Plan**
       Meeting to be held on October 4, 2012; second session to continue work on a
       Strategic Communications Plan between the RWC & TRWC. Further
       discussion will also be had with the TRWC about the future of the two groups.

    b. **Awards**
       The RWC & TRWC won a MAG Desert Peak Award and the LECC's Award
       for Community Partnerships for Public Safety.

    c. **Federal Communications Commission Petition**
       The Federal Communications Commission is going to address the Louisiana
       petition, but it will only pertain to Louisiana. They will be issuing a Notice of
       Proposed Rule Making (NPRM) for public comments to address the 2017
       deadline of the 700 MHz narrow-banding requirements.

    d. **Maricopa PD Transition onto the RWC**
       The Maricopa Police Department will be transitioning onto the RWC (Fire
       Department already a current Member). Dispatch will be handled by the
       Town of Buckeye; on track for a September 30th transition.

    e. **Salt River Pima Maricopa Indian Community**
       The Community is working with Federal Engineering to look at options for a
       new stand-alone system or joining a current system (RWC or TRWC). Mr.
       Felix met with SRPMIC intergovernmental staff recently to express the desire
       of the RWC to have them as members.

9.   **Call to the Public**

    None

10.   **Announcements**

    Vice Chair Campbell announced the next Board of Directors Meeting will be held
    November 15, 2012, and the 2013 schedule has already been published.

11.   **Adjournment**

    Vice Chair Campbell adjourned the meeting at 11:34 a.m.

Respectfully submitted,
Kacie Howard, Management Assistant I