



**Board of Directors
MINUTES
January 24, 2013**

Maricopa Association of Governments
302 N. 1st Avenue
Phoenix, Arizona 85003

Board Members Present

Board Members Absent

Paul Adams*	Jim Haner	Chris Nadeau*	Bob Costello
John Bennett	Bob Hansen	Tim Van Scoter	David Fitzhugh
Wade Brannon (10:06am)	Brad Hartig	Susan Thorpe	Mark Gaillard
Steve Campbell	Danny Johnson	Paul Wilson	Marc Walker
Wayne Clement	David Lind*	Ed Zuercher (10:13am)	
Chris DeChant (10:12am)	Mark Mann*		
Mike Frazier	Charlie Meyer		
*Board Alternate			

Staff and Public Present

Mirela Borsan	Domela Finessey	Ron Parks	Nick Spino
Kelli Butz	Dave Heck	W. Perea	Mike Sumnicht
Jim Casi	Kacie Howard	Bill Phillips	Randy Thompson
Dave Clarke	Rick Kolker	Michelle Potts	Shannon Tolle
Dave Collett	Doug Mummert	John Rush	Tim Ulery
Jesse Cooper	Cy Otsuka	Vicky Scott	

1. Call to Order, Roll Call and Opening Comments

Chair Thorpe called the meeting to order at 10:02 a.m. Roll call was taken and a quorum reached.

Mr. David Felix addressed the Board members and the public and welcomed them to the meeting. Since this is first meeting held at the Maricopa Association of Governments (MAG) facility, Mr. Felix informed everyone of the amenities available.

2. Approval of RWC Board Meeting Minutes from November 15, 2012

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

3. RWC Annual Audit for Fiscal Year 2011/2012

Mr. David Felix briefed the Board on the audit process and where it currently stands. The Audit Committee met with CliftonLarsonAllen on January 10th and accepted their findings.

Mr. Felix introduced Mr. Ron Stearns and Ms. Irma Ashworth from CliftonLarsonAllen. Mr. Stearns addressed the Board and presented the audit findings to them. They did a comparison audit between last two fiscal years and presented them jointly. They have issued an unqualified opinion letter showing that it was a clean audit of the financial statements. Also, there was no fraudulent activity found during the audit and did not identify any material weakness or deficiency related to the audit.

Mr. Stearns then presented on RWC assets, revenues, and expenses. The RWC currently has \$97,000,000 in total assets, with \$95,600,000 being buildings/equipment/hard assets and \$1,500,000 in cash. The total liabilities and accrued expenses are \$989,000.

The RWC revenue was over \$8,400,000 (an increase of over \$1,000,000 from previous year) and the total expenses exceeded the revenue by over \$3,600,000 but that is directly attributable to the depreciation of capital assets which had a total depreciation of \$9,900,000.

Mr. Stearns mentioned two insignificant findings; accounts not being reconciled and closing out of construction progress accounts. These findings are very minor, and do not interfere with the RWC being financially sound.

Mr. Haner, a member of the RWC Audit Committee, thanked Mr. Felix, Kelli Butz, and other staff for all the hard work on the audit.

Mr. Felix thanked Kelli Butz for her hard working getting the Comprehensive Annual Financial Report (CAFR) corrected and printed in time for the Board meeting.

4. RWC 700MHz Narrow-Banding, TDMA Conversion & Lifecycle Upgrades

Mr. Felix stated that this item was a review from previous meetings, but is very important because of the large financial impact to all of the members.

Mr. Bill Phillips presented a review of the upcoming project and deadlines. Project required due to the FCC mandate for 700MHz narrow-banding by January 2017 as well as infrastructure upgrades/replacements that are necessary. A detailed

project cost was given to all Board members, but budget conditions are still being discussed. The project has been divided into two parts, part one being the hardware upgrade with a cost of \$25,400,000 (deadline of November 2015) and then the second part being the TDMA conversion with a cost of \$17,700,000 (deadline of January 2017). Overall project, including the credit that will be given, will be \$43,100,000.

Mr. Phillips also mentioned that the January 2017 deadline may change based on rulings from the FCC, but we are unsure at this time what will happen, so it is best to proceed as if the deadline is still set because there could be penalties that could be assessed if we do not comply. If the 2017 deadline is extended, then the RWC would be required to add capacity at a cost of \$6,900,000.

Mr. Phillips also went on to discuss other costs to members that also need to be budgeted. Some of those costs are: non-TDMA capable subscriber replacements, dispatch console upgrades (MC7500 series), and in-building treatments will need to be able to handle the 700MHz frequencies (as well as 800MHz for the overlap time period). These in-building treatments may be in member owned facilities or privately owned facilities, but both will need to be looked at and upgraded as needed.

The timeline for the project was reviewed, but also noted that some of those deadlines are fluid and not set at this point. Financing options are still being discussed, but a plan has not been solidified; each member may do choose a different option.

Mr. Campbell questioned if public safety had any influence over requiring private buildings to have correct, up-to-date in-building treatments. Mr. Phillips replied that every city is different, but some fire marshals have the ability to require and inspect in-building treatments, but must be careful because of increased liability on the side of the fire marshal.

5. RWC/TRWC Joint City Manager's Meeting

Chair Thorpe informed the Board that there was a meeting held on December 17th with herself, Ed Zuercher, Charlie Meyer, Chris Brady and John Kross. This meeting was held to discuss the two systems, and look to future possibilities between the two. There was a valuable discussion between the two groups, about both the history of the systems and also current efforts to bring the two systems back together. There is cautious optimism and it seems that the TRWC goal is to have the two systems as close as possible without actually reintegrating the two systems. The two sides, along with the Governance Working Group and Technical Working Group will continue down the current path and see what possible outcomes are created. The ultimate goal is seamless operation for the end users of the systems.

Mr. Meyer addressed the Board with his views of the meeting, and explained how

he was slightly disappointed by the results. There was a commitment to continue progress on merging the two systems, but not re-integrate.

Mr. Brad Hartig informed the Board of the ongoing work of the Governance Working (GWG) group which has members from both the RWC and TRWC. The GWG has heard the results of the December 17th meeting, but will proceed with coming up with the best possible options for the two systems. The group chose to use a decision matrix concept to identify criteria and assign a weight to it; then come up with different options that best address the criteria and then will make suggestions as to the best possible options.

The Board agrees that the GWG should continue the efforts to identify options for joining the two systems.

Mr. Felix briefed the Board about the work of the Technical Working Group (TWG). The TWG was briefed by Motorola on the ISSI system and given budget estimates for this option. Technical roadmaps for the RWC and TRWC have been compared and are very close with the only difference being the current software version.

Mr. Paul Wilson asked for clarification on what the key issue is between the two systems; if it was Mesa or Phoenix being the Administrative Managing Member. Chair Thorpe reiterated that the comments in her notes were made by Mesa City Manager Chris Brady based on his opinions and past history. Mr. Ed Zuercher stated that the City of Phoenix is not opposed to another regional entity taking over the system(s) as Managing Member. Mr. Hartig explained that a regional entity managing the system is being looked at by the GWG.

Mr. Meyer also wanted to add that the December 17th meeting was held at the City of Mesa, and they really did want to bring up the past history between the two systems. It was made clear that the City of Phoenix does not want to run the systems. Mr. Meyer feels like it is up to the GWG to make progress between the two systems.

6. RWC Inventory of Programs Status Overview for Fiscal Year 2013/2014

Mr. Felix presented to the Board the Inventory of Programs that was submitted to the City of Phoenix Budget and Research Department. The process asked for enhancements accomplished by the RWC and the completion of the seven overlay sites, completion of the COPS System Capacity Increase, and the completion of the Simulcast J sites were listed in this category.

Next, the upcoming priorities for the RWC were listed as Phase 1 of the 700MHz infrastructure funding/conversion, to negotiate a cash-out option for the 800MHz re-banding process, and the completion of the Joint RWC/TRWC Strategic Plan were mentioned here.

Challenges were also asked for, and for this Mr. Felix mentioned having to

maintain adequate funding for the 700MHz transition, maintaining strong relationships and system compatibility with all other systems around the State. A strategic overview was also given to explain how the RWC will go about dealing with the listed priorities and challenges.

7. **Executive Director's Report**

- a. **Federal Communications Commission Petition** Mr. Felix addressed the Board that he did have an update from the FCC in regards to the petition submitted to extend the January 2017 deadline. The FCC is circulating an item to address this mandate and also a Notice of Proposed Rule Making (NPRM) seeking comment on the deadline. We still do not have a good estimate of when the FCC will make a ruling, but it is still being worked on and moving forward.
- b. **Project Update**
Mr. Felix mentioned that the Paradise Valley project is still underway and they are working through location issues with a private land owner and other neighbors in the area. The Town will proceed with condemnation or look at easement options to ensure they are able to use the site that will best for coverage.
- c. **Super Bowl 2015**
Mr. Felix mentioned to the board that planning for the upcoming 2015 Super Bowl has begun but will go full force after the 2014 Super Bowl. The RWC will need to be aware of the planning needed for this event and the possible impact to the upgrade project. Also, the in-building treatments for the stadium and other necessary venues will need to be looked at to make sure they are upgraded as needed.
- d. **Meeting with Motorola VP Brenda Herold**
A meeting was held with Motorola VP Brenda Herold, Mr. Felix, Mr. Mike Sumnicht, Mr. Bill Phillips, and Mr. Ron White. Conversation was held to talk about the system and where Motorola is going in the future. There were two items that Mr. Felix brought up to Ms. Herold that were of concern to the RWC. Ms. Herold agreed to go back to her staff at Motorola and see what resolutions she can come up with.
- e. **Interoperability and Associates Update**
An updated list of all Interoperability and Associate partners was included in the Board packet. Also shows the number of approved subscribers for each partner.

8. Call to the Public

None

9. Announcements and Future Agenda Items

Mr. Campbell suggested that there be a presentation by the AZ Broadband Network to help bring information to the Board. Mr. Felix will work with Mr. Michael Britt to see what can be scheduled.

Chair Thorpe announced that she has accepted a position with the City of Corpus Christi which she will start on March 18th. A new Chair will need to be determined.

10. Adjournment

Chair Thorpe adjourned the meeting at 11:08 a.m.

Respectfully submitted,
Kacie Howard, Management Assistant I