



**Board of Directors
MINUTES
March 27, 2014**

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

Board Members Present			Board Members Absent
Steven Campbell	Bob Hansen	Tim Van Scoter	Paul Adams
Wayne Clement	Brad Hartig	Mike Thompson	Brent Ackzen
Mike Cole*	John Imig*	Marc Walker	Lonnie Inskeep
Bob Costello	Chris Nadeau*	Paul Wilson	Danny Johnson
Chris DeChant	Hans Silberschlag*		
Mike Frazier	Rob Sweeney*		
*Board Alternate	** Telephone Participant		

Staff and Public Present

Michaelanne Acree	Dave Clarke	Todd Harms	Steven Powell
Mirela Borsan**	Dave Collett	Doug Mummert**	Shannon Tolle
Chris Briggs	Tom Dwiggin	Cy Otsuka	Tim Ulery
Kelli Butz	Kim Engle	Ron Parks	
Tom Cantelme	David Felix	Bill Phillips	
Jim Case	Domela Finnissey	Michelle Potts	
**Telephone Participant			

1. Call to Order, Roll Call and Opening Comments

Chair Campbell called the meeting to order at 10:01 AM.

Executive Director David Felix identified Members' technical staffs for recognition of their efforts with helping to keep the system running: Adam Baker – Tempe, Dave Collett – Peoria, Patrick Cutts – Tempe, Milan Dobras - Scottsdale, Eric Lawrence – Scottsdale, Steven Muhle – Scottsdale, Cy Otsuka – Glendale, Ron Parks – Chandler, Steven Powell – Scottsdale, Tim Ulery – Glendale.

Chair Campbell recognized the retirement of Jim Haner from Sun City Fire Department and Marc Walker from Chandler and thanked them for their

contributions and participation. Mike Thompson will take Jim Haner's place on the RWC Board.

2. Approval of RWC Board Meeting Minutes from January 23, 2014.

A **MOTION** was made by Brad Hartig and **SECONDED** by Bob Hansen to approve the RWC Board meeting minutes from January 23, 2014. **MOTION CARRIED UNANIMOUSLY (16-0).**

3. Approval of RWC CIP Funding Policy.

Executive Director David Felix addressed the Board on this Policy reminding them that when the RWC entered into the project to transition the infrastructure equipment to make the system TDMA and narrow band capable, it was desirable to create a way for the funding for the project to be consistent over the life of the project; in this case it's over a 3-year period. The purpose of this funding policy is to create a process for funding future projects in the same way using the same methodology. A working group developed a proposal that was reviewed by the Policy Working Group (PWG). The PWG altered it slightly to fit with the format structure of most of our policies and procedures.

Board member John Imig from Peoria noted that there was a discrepancy with regard to paragraph 7.4 which appears to be the same as paragraph 6.5. Mr. Felix noted that this paragraph should fall under "supporting rules" not "responsibilities" so 7.4 should be deleted.

A **MOTION** was made by John Imig to strike paragraph 7.4 in the document and it was **SECONDED** by Chris DeChant. A **MOTION** was made by Steve Campbell and **SECONDED** by Brad Hartig to approve the RWC CIP Funding Policy with the noted change. **MOTION CARRIED UNANIMOUSLY (16-0).**

4. Approval to Set 2014/2015 Subscriber Unit Rate.

Accountant Kelli Butz presented the proposed 2014/2015 subscriber rate as a recap of what was presented in November 2013. Operations and Maintenance (O&M) and staffing were \$8.3M; subscribers on the system at that time were almost 18,000 with an estimated subscriber rate of \$38.63. The revised summary shows a slight decrease in O&M at \$8.2M due to a slight adjustment to Phoenix IT costs in the O&M budget to bring it in line with last year's actuals, and a new subscriber count of 17,795 (includes new members and some known decreases) which results in a slightly lower rate of \$38.29.

SUA II is at \$2.6M; Narrow-banding and TDMA Lifecycle Upgrade is at \$8.6M; minimum balance for Goodyear PD is \$13,000; resulting in a total budget for 2014/2015 of \$19.4M.

RWC Executive Committee recommends the Board of Directors approve the Subscriber Unit Rate of \$38.29. Information was presented regarding a request from a member to move the Narrow-banding assessment to October (from July based on budget schedules be different). Ms. Butz stated that due to a carryover from the Narrow-banding project into the 2014/2015 budget it would be possible to accommodate the request. The assessment for SUA II will be in October. Ms. Butz requested approval for RWC staff to bill RWC members.

Chief Campbell noted that he was impressed by a financial briefing that was presented by Ms. Butz at a Governance Working Group meeting earlier in the month detailing into where the dollars are being spent.

Mr. Brad Hartig commented that the reconciliation process is reconciled down to the last dollar and that this made him comfortable with the RWC's standing as well as with its financial model.

Chair Campbell asked for confirmation of what is being approved. Ms. Butz stated the only approval needed is for the subscriber rate. The other items were for information and are following what was done in the past.

Mr. Rob Sweeney asked if the Governance documents give the Executive Director and team discretion to adjust the schedules of billing for assessments. He suggested it be looked into whether the Executive Director and team have that discretion.

Mr. David Felix commented that this would be looked into and if any further action is required it can be brought to another Board meeting.

A **MOTION** was made by Rob Sweeney and **SECONDED** by Paul Wilson to approve the new Subscriber Unit Rate as presented. **MOTION CARRIED UNANIMOUSLY (16-0)**.

5. **Approval of Required Minimum Balance Rate.**

Mr. David Felix noted that as the TRWC and RWC Governance documents is being studied line by line to merge these documents. During this review it surfaced that the Required Minimum Balance Rate as per 4.2.1.4.1 of the RWC Governance document, has not been maintained since the beginning of the Governance. The RWC Governance document states that an Operating Fund Balance (or contingency fund balance) of \$12.5% of the yearly O&M budget is to be maintained. New members have been charged their portion of this when joining the RWC, but no adjustments after that have been made to maintain the balance. For this reason it is being brought before the Board to determine best practices and to make some recommendations on how to maintain this balance in the future. The documents do allow for the Board to adjust that balance up or down each year so a recommendation will be made to the Board each year to address this balance in the future.

Ms. Kelli Butz stated that since the Required Minimum Balance was established in 2010 it has not been adjusted to the annual 12.5% as required. 12.5% of 2014/2015 budget would be approximately \$1M. The current balance is \$710,000 which is 8.7% leaving a deficit of about \$310,000. There are a few options to correct the balance: 1) since budgets have been set for 2014/2015 a special assessment could be taken in the next fiscal year at which time the deficit would be \$326,000, 2) the Board could adjust the rate up or down, or 3) the annual year end settlement at the end of this year could be used to correct the balance instead of credits back to members.

Research on best practices shows that: 1) GFOA recommends 16% of regular O&M or two months of expenditures, and 2) Standard and Poor's shows 8.7% is a good standing. The Executive Committee recommends using the year end settlement to correct the Required Minimum Balance deficit, but if the settlement is not sufficient then the committee recommends reducing the minimum balance rate to 8.7% of total O&M budget.

Mr. David Felix stated that it is unknown how this rate was established but possibly it was by using a similar analysis. It is believed there is going to be a sufficient amount at the year-end settlement to correct the deficit.

A recommendation was made by another Board member that this issue is looked at during the merging of the TRWC and RWC documents and make certain it is addressed.

Mr. Rob Sweeney asked if the 12.5% balance has ever been achieved or has it been a goal to get there. He concurs with the staff recommendation to use the year-end settlement to get to the 12.5%.

Ms. Kelli Butz does not see that it has ever reached the 12.5% balance.

Mr. Rob Sweeney asked if we apply the year end settlement if we would reach the 12.5%. Ms. Kelli Butz stated that it would be sufficient to achieve that balance.

A **MOTION** was made by Rob Sweeney and **SECONDED** by Chris DeChant to approve the recommendation of the Executive Committee to apply the annual year-end settlement to acquire the Required Minimum Balance Rate of 12.5%. **MOTION CARRIED UNANIMOUSLY (16-0).**

6. **Governance Working Group Update**

Vice Chair Brad Hartig noted that significant progress is continuing on merging the Governance documents. Review has been completed on both the TRWC and RWC documents and the two documents have been merged into one document. The new document is being referred to as the Regional

Communication Authority which is only a speaking term that can be changed later.

There is an outside legal entity working with us now to review the document to ensure that legal issues are being covered. As was mentioned earlier by Chair Campbell, the Governance Working Group has had an overview of the RWC financial model and feel very solid with how the finances associated with the RWC are being handled. The group is awaiting the same type of financial model overview from the TRWC to merge best practices from both organizations and come up with a budget/finance process that will support the new organization.

At the last joint board meeting there was a discussion on expanding the Governance Working Group to give more diversity and thought. It was stressed by the Governance Working Group members at that time, that adding new participants did not make sense since the group was half way through merging the documents. Trying to bring someone up to speed now would slow down the progress of the group. Now that a rough draft has been completed it is a good time to add members and the Governance Working Group recommends adding one member each from the RWC and the TRWC. There is a very significant commitment of time needed and this needs to be stressed to any potential new members.

The timeline indicates that budget/finance reviews are scheduled for June of 2014; legal review is ongoing; presentation to joint boards will be in September 2014; with ratification in November 2014. The timeline is aggressive but significant progress has been made and the group is confident that all of these dates are achievable.

Executive Director David Felix pointed out that the current RWC representation of members in the Governance Working Group consists of Brad Hartig with a high level technical point of view, himself and Chair Campbell with a Law Enforcement point of view. Representation from the TRWC consists of two Fire Chiefs and then also the TRWC and RWC Executive Directors. So the RWC is leaning toward adding an Assistant City Manager or Fire representative. The TRWC is strongly leaning toward adding a law enforcement representative and has possibly identified someone at an Assistant Chief level from Mesa. On the RWC side there has been good representation and continuity with communication in the event someone was absent from the meeting.

Chair Campbell noted that the Mesa Assistant Chief has been designated for the TRWC. The RWC then would be asking for an Assistant City Manager type but would consider other volunteers. He reiterated the time intensiveness of being on this committee and asked if there is anyone that would like to participate. No volunteers stepped forward.

Chief Campbell added that there are a lot of time elements after the completion of the governing documents that the group has no control over. New IGAs will have to be redeveloped and reviewed by individual municipalities, so the actual date of the two systems coming together is yet to be determined. Once

documents are agreed upon there are a lot of other technical processes behind the scenes that will have to be done.

Mr. Hartig stated that after the Governance Working Group brings forth the merged document, there will be a lot of additional work needing to be done. The question is if there will be others taking this over at that point or if this group will continue.

No action was taken.

7. Late Fees

Mr. David Felix stated that this has not been an issue for the RWC in the past. The RWC works very closely with members and whenever a payment has been late the issue has been resolved quickly and all payments are currently up to date.

Through this discussion and in reviewing the RWC Governance document, it is noted that “a late payment charge will be assessed at the rate of one percent (1%) per month for all payments received late”. This has not been strictly enforced in the past, and it does not appear that the Governance or Board has any options to change this. It is therefore, being brought to everyone’s attention that the RWC will be invoicing the member this late fee for payments past 45 days of the invoice. Retroactive charges will not be made, but it is the RWC’s intention to begin exercising this process immediately.

8. Project Updates:

Mr. Bill Phillips provided the following updates:

A. 700 MHz Narrow-Banding, TDMA, Lifecycle Hardware Phase

The capacity on Simulcast F has been increased by two channels to allow moving traffic off of Simulcast C so it can be upgraded. The changing out of antennas at the South Mountain overlay site has been done. The City of Maricopa is testing this site and everything looks good after two days of testing. Chandler discovered that the coverage in east Chandler was not sufficient without Simulcast C so Motorola developed a way to keep Simulcast C partially active by keeping 6 channels up at the Pecos site. The plan is to shut Simulcast C off sometime in April and start upgrading it to the new 700 MHz frequencies and the new GTR hardware.

Executive Director Felix asked for a clarification of what the footprint is geographically for Simulcast C.

Mr. Phillips replied that it covers Chandler, Tempe and Ahwatukee areas. Tempe is primarily on Simulcast F and that is where everyone else is being moved.

There are two change orders forthcoming. For the first change order, there are not as many tower top spares needing to be replaced so that cost may be cut in half of the original estimate. For the second change order, the Hamilton site does not need new equipment to keep the site active, but may get new equipment anyway, which will also serve long term. This equipment will pose a minimum charge.

Chair Campbell asked how long the upgrade to Simulcast C will take. Mr. Phillips replied it is supposed to complete in November 2014.

B. 800 MHz Re-Banding

The cost proposal has been received from Motorola. The RWC's cost proposal and that of the consultant Buford Goff, are being adjusted to meet Motorola's timeframe and meeting schedule, etc. Final proposal will be turned in to the Transition Administrator on April 4. Right now the cost estimate if for re-banding is just over \$13M. Sprint Nextel will likely work to get that amount down but the proposal is solid.

A question was asked about what the timeline looks like after the proposal is submitted to the Transition Administrator. Mr. Phillips noted that the Transition Administrator has roughly 30 days to review the proposal and offer a counter proposal at which time negotiations will begin. If an agreement is not reached within 2 to 3 months it would go to mediation. There should be a settlement by the end of the calendar year.

C. Avondale Console Upgrade

Connectivity is the main concern at this time. The leased T1 line is in place which is used for back up connectivity and the team is working to get the microwave connectivity through the Cashion site. Initially Avondale was going to look at getting an antenna on the Cashion site but it was more beneficial to do this through the existing RWC lease as there is no cost to amend the lease to include this. Work continues on coordinating the configuration of the consoles and getting the primary microwave connectivity in place.

D. Goodyear Police Integration onto RWC

Goodyear PD has a similar situation as Avondale so everything mentioned above with regard to the Cashion lease for Avondale is the same for Goodyear and there will be no charge to add them to the RWC lease. Back

room equipment and consoles are being installed, leased T1 line is in place, and connectivity still remains the main concern.

- E. Maricopa County Community College District
Furniture and console installations started last week, and work is being coordinated to get microwave connectivity in place from the dispatch center up to Belleview. Radios have been handed out and radio programming training is taking place. The target date to come online in the RWC is April 25th.

- F. Maricopa Site
This is a City of Maricopa project only; Maricopa County has indicated this site will not serve their needs and thus they will not be sharing the site. A site walk has taken place and a proposal is expected from Motorola. The facility is on City of Maricopa property but the initial coverage study with Google coordinates were not in line with where the actual facility is so that coverage is being redone. Once the cost proposal is received the City of Maricopa can make a decision about moving forward.

- G. Paradise Valley
There are some site issues here but the County will be sharing a site with Paradise Valley. However, Paradise Valley wants to change the IGA so they are the owners of the site. The two sites being considered are the Highland site in Paradise Valley or the Clearwater site in the County.

- H. Scottsdale Coverage (Northwest)
Another site is being looked at to add into Simulcast H which will go into the RWC site at Dove Valley. A site walk has been done and Motorola is in the process of preparing a cost estimate. When the cost estimate is received Scottsdale can make a decision on moving forward.

Executive Director Felix added that with regard to the narrow banding project; while briefing Glendale Police and Fire officials on the budget, a question arose about the status of the FCC mandate. He has continued his efforts to contact FCC staff for updates but has not received a reply from them so there is nothing new to report. He thanked Cy Otsuka for facilitating the Glendale meeting and said the RWC would be happy to brief any other Members on the budget.

9. **Executive Director Report**

Executive Director Felix made the following updates:

A. ASU Membership Update

The RWC met with ASU's Chief about becoming a member. A technical review was completed to determine the most cost effective way to bring them onto the network and Motorola is preparing a cost proposal. Another meeting will take place with technical and operational representatives from Tempe, Motorola, Creative Communications, ASU and the RWC to discuss the operational benefits for joining the RWC in addition to cost factors. A briefing from the operational and technical review will be prepared and presented to the Chief.

Chair Campbell asked if ASU has looked at how many talkgroups they will be using on the system. Mr. Felix said yes and that they have an established talkgroup profile of what they are using today. It appears that we could bring them onto the system without any significant impact on capacity.

B. Arizona Public Safety Communications Commission

The Arizona Public Safety Communication Commission (PSCC) is sun setting. The Commission has been focused on regional interoperability and looking at how to best interoperate with the resources they have. Hearings at the legislature and governor's office have resulted in an agreement to not fund the commission or the work they are doing. It does not appear that this will have much of an impact on the RWC but it was thought at one time that the RWC could eventually work with the PSCC to develop a state-wide system which would have been beneficial to the State and the RWC through the mutual use of resources. The Arizona Department of Administration is disbursing the responsibilities of the commission.

Chair Campbell added that he has served on this PSCC for approximately three years and one of the things that the Commission was looking toward creating was a greater connectivity of interoperability not only in the Valley but north and south. Yuma has a very good system that branches all the way up to the Colorado River. One thing that was important at the beginning was the mountain areas like Flagstaff and Prescott and the challenges there. It is unfortunate that the commission is sun setting but hopefully opportunities will come up for other agencies to step up to take on this role.

Mr. Felix commented that the RWC looked to the PSCC as a support group, but there have been two other regional system administrator forums with the RWC, TRWC, Yuma, Pima County, Maricopa County, Flagstaff and DPS to discuss our region and opportunities to share. This group is taking on the issue of re-banding the AIRSW channels which are state-wide interoperability channels so it could be that this group may fill some of the void left by the PSCC's sun setting.

C. Motorola Scorecard

On March 6 the RWC and OWG met with Motorola management about the 1st Quarter goals, metrics and evaluation performance. Some things discussed were Regional Goals and under this category is technology road maps and

cost predictions that Motorola is to provide, 800 MHz re-banding and assistance with that, life cycle updates and 700 MHz project, fire support issues, and implementation of projects. Under the major category of Critical Issues, are the 7.11 software implementation, console voice processing module issues, Fire portable radio case cracking, and general problem solving for the RWC. Under Service and Support are general customer service support, case handling, and product and feature enhancement requests.

Motorola has pledged to deal with issues where they fell short at this Scorecard review. None of the issues will impact public safety. The OWG was very upfront about their issues and the scorecard meetings have shown to be of value.

10. Call to the Public

None.

11. Announcements and Future Agenda Items

Chair Campbell stated that the next Board meeting is May 22, 2014, from 9:00-11:00 a.m.

12. Adjournment

Chair Campbell adjourned the meeting at 11:15 a.m.

Respectfully submitted,

Kim Engle, Management Assistant I