



**Board of Directors  
MINUTES  
September 25, 2014**

Maricopa Association of Governments  
302 N. 1<sup>st</sup> Avenue  
Phoenix, Arizona 85003

<b>Board Members Present</b>			<b>Board Members Absent</b>
Brent Ackzen	Bob Costello	James Hughes*	Danny Johnson
Kevin Artz	Susan Daluddung	Paul Luizzi	Lonnie Inskeep
Kevin Bailey	Chris DeChant	Mark Nichols*	
Brenda Buren	Milton Dohoney	Mike Thompson	
Steven Campbell	Mike Frazier	Tim Van Scoter	
Wayne Clement	Bob Hansen	Paul Wilson	
Mike Cole	Brad Hartig		
*Board Alternate	** Telephone Participant		

**Staff and Public Present**

Bill Anger	John Imig	Rob Sweeney	
Kelli Butz	Doug Mummert	Shannon Tolle	
David Clarke	Chris Nadeau	Tim Ulery	
Dave Collett	Cy Otsuka	Jim Wise	
Kim Engle	Ron Parks**	Mike Worrell	
David Felix	Bill Phillips		
Domela Finnessey	Hans Silberschlag		
John Gardner	Nick Spino		
Dave Heck	Michael Sumnicht		
**Telephone Participant			

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

Chair Campbell called the meeting to order at 10:25 AM.

**2. Call to the Public – None**

**3. Approval of RWC Board Meeting Minutes from March 27, 2014.**

A **MOTION** was made by Paul Wilson and **SECONDED** by Mike Frazier to approve the RWC Board meeting minutes from March 27, 2014. **MOTION CARRIED UNANIMOUSLY (20-0).**

**4. Approval of New / Revised Policies**

Executive Director David Felix gave a brief description of one (1) new policy and four (4) revised policies before requesting approval from the Board; and noted that these policies have been recommended by the Executive Committee for approval.

- a. Long Term Interoperability Policy (New)
- b. Confidentiality Policy (Revised)
- c. Contractor Policy (Revised)
- d. Subscriber Radio Equipment Maintenance Policy (Revised)
- e. Dispatch Site Maintenance Policy (Revised)

Chair Campbell asked if the Confidentiality Policy had been reviewed by the City of Phoenix legal department.

Executive Director David Felix replied that he could not say for certain but assumed that it followed the procedures of the Administrative Manager.

A **MOTION** was made by Susan Daluddung to approve all of the above listed policies and it was **SECONDED** by Mike Frazier. **MOTION CARRIED UNANIMOUSLY (20-0).**

**5. Approval to Add Two New Members to the Audit Committee**

Executive Director David Felix reminded the Board that in 2011 during the first budget adoption and approval, it was noted that the Governance calls for an independent audit to be conducted. When the auditing firm of CliftonLarsonAllen, LLP (CLA) was approached and asked what would be the process to bring that audit forward to the Board and handle the audit efficiently, it was indicated that the industry standard is for a subcommittee of three to five members. This committee will review the Comprehensive Annual Financial Report (CAFR) and meet with the independent auditors to make a recommendation to the Board for approval of the findings.

This has been done successfully for the past three years. Two members of the current audit committee that were intended to have staggered terms have retired so those positions need to be filled. In the past this has been handled by seeking volunteers, but the Chair could appoint members if no one steps forward. There has been great representation in the past from Fire so it would be desirable for this new committee to possibly have representation from other jurisdictions. Currently, City of Goodyear Chief Paul Luizzi, is on the Committee.

Chair Campbell asked for further clarification regarding the time commitment needed for participating on this committee.

Executive Director David Felix noted that the CAFR document is forwarded by the RWC accountant to the committee for review, and then there is one meeting with the auditors to go over the information, have questions answered and for the auditors to give recommendations. The auditors then forward the document to the Board. A total time commitment of approximately three hours would be required to review the document and attend the meeting with the auditors.

Chair Campbell addressed the Board requesting volunteers to fill the two vacant positions. Acting Assistant City Manager, Kevin Artz, from the City of Avondale, and Assistant Police Chief, Brenda Buren, from the City of Tempe volunteered to fill the vacancies.

A **MOTION** was made by Mike Frazier and **SECONDED** by Bob Hansen to approve the two new members of the Audit Committee. **MOTION CARRIED UNANIMOUSLY (20-0)**.

## 6. **Annual Audit Update**

Ms. Kelli Butz, RWC Accountant, stated that this is an update of the required annual independent audit of the RWC's financial records for fiscal years 2013-2014. This year CliftonLarsonAllen, LLP (CLA) is conducting the audit. On August 7, 2014 the RWC Executive Director and Accountant attended a kick-off meeting with CLA to discuss the audit process, the timeline, and significant audit areas. This year's audit will focus on pooled cash investments, expenditures and expenses, and revenues. The draft CAFR is almost complete and is planned to be sent to the auditors the week of October 6 and the CLA audit team is scheduled to do the full audit on October 13. Once the audit is complete the Audit Committee and RWC staff will meet with CLA staff to discuss the findings. The Audit Committee will then be tasked with recommending changes if needed, developing responses if needed, and to approve the draft findings for final publication. If the draft documents are approved by the Audit Committee, and audit runs as scheduled, the auditors will formally brief the Board on the audit process and findings at the RWC Board of Directors meeting on November 20.

## 7. **700 MHz Narrow-banding TDMA Conversion Lifecycle Upgrade, Hardware Upgrade Phase and 800 MHz Re-banding Cash-Out**

Executive Director David Felix provided an introduction, that this is a combined issue in that the discussion will be about the 700 MHz infrastructure replacement project and the long standing process of negotiations with Sprint Nextel for 800 MHz re-banding. In transitioning the infrastructure to 700 MHz the 800 frequencies will be relinquished to Sprint Nextel. Normally Sprint Nextel would

pay for the process of re-banding but instead the RWC opted for a cash-out option and Mr. Philips will be discussing that further.

Mr. Bill Phillips gave an update on the two projects noting that the 700MHz project costs are significantly reduced and the project is still on target for completion by December 31, 2016. The mandate for this is likely to be extended or removed so only the hardware phase of the upgrade is currently being performed; not the actual narrowbanding. Although not likely, The TDMA conversion could still be required by the feds. The 800MHz re-banding cash-out has been defined and the Board will be requested to decide the disposition of surpluses and cash-out funds.

Two alternatives were given for 700 MHz surplus funds and 800 MHz cash-out funds and the pros and cons of each discussed.

Alternatives:

1. Set aside all surplus special assessments and cash-outs in the CIP account to offset future conversion to TDMA (700MHz Narrow-banding) and/or other projects.
2. Give full or partial credit or refund to Members for all of the above; if partial, then the remainder would go to CIP account.

The recommendation is to select alternative #1 as recommended by the Executive Committee.

It was determined to table this decision after much discussion until further financial information can be provided about the collection of special assessments to date, what is remaining, and how much is still owed by each agency.

Executive Director David Felix suggested that additional information be provided at the November 20 meeting to assist in this decision making process.

A **MOTION** was made by Bob Hansen to table this item to future meetings and **SECONDED** by Paul Luizzi. **MOTION CARRIED UNANIMOUSLY (20-0)**.

## 8. **Executive Director Report**

Executive Director Felix made the following updates:

### A. FCC 700 MHz 2017 Narrowbanding Deadline

There is not any new information on this deadline. This item is being tracked in numerous ways and hopefully in the near future an answer will be available. Periodically information comes out and that information is passed on to the Board members as it is received.

## B. 2014 Annual Report

The annual report is prepared almost entirely in-house by RWC staff and the 2014 report is complete. There is an overview of the system, highlights of accomplishments, project status, new membership, and other areas of interest. There is also a breakdown of finances and system performance, and contact information. The report will be posted on the RWC website at [rwcaz.org](http://rwcaz.org).

Chair Campbell thanked Mr. Felix and staff for putting together this report.

## 9. **Call to the Public - None**

## 10. **Announcements and Future Agenda Items**

Chair Campbell noted that the next meeting is another Joint Board meeting on November 20 from 9:00 a.m. to 12:00 p.m. with a similar format as today's meeting.

Chair Campbell encouraged the Board Members to take an in depth look at the Governance Document that will be sent out via email after the meeting. This is an important endeavor for the valley and public. He commended everyone for their support and asked for comments to be sent to Executive Director David Felix.

Executive Director David Felix thanked Kim Engle, RWC Management Assistant, for her support to the Governance Working Group over the past several months and Kelli Butz, RWC Accountant, for her work on the Audit. Kelli was also congratulated on her 26<sup>th</sup> year with the City of Phoenix.

Another announcement was made thanking David Clarke, RWC Administrative Aide, for his technical and administrative work on the Annual Report. David was also congratulated on his successful completion of the City of Phoenix Police Reserve Academy on August 20, 2014. David is now a certified peace officer and will be starting field training in the near future.

## 12. **Adjournment**

Chair Campbell adjourned the meeting at 11:25 a.m.

Respectfully submitted,

Kim Engle, Management Assistant I