



**Regional Wireless Cooperative  
Board of Directors  
MINUTES  
March 23, 2017**

City of Phoenix  
200 W. Washington Street, 12<sup>th</sup> Floor  
Phoenix, Arizona 85003

Board Members Present			Board Members Absent
Kevin Artz	Tom Melton* **	Bob Hansen	Terry McDonald
Larry Hall*	Danny Johnson		John Imig
Brad Miller	Tim Van Scoter		Troy Maloney
Rick St. John	Michael Cole		
Paul Luizzi	Milton Dohoney		
Wayne Clement	Mike Thompson		
James Hughes*	Mike Frazier		
Brent Ackzen**	Brenda Buren		
*Board Alternate	** Telephone Participant	^Non-Voting Alternate	

**Staff and Public Present**

Chris Nadeau	Almira Santos		
Nick Spino	Jeanine Besnier		
Dave Collett			
Robert Fisher			
Milan Dobras			
Ronald Stearns			
Ron Parks			
David Felix			
David Clarke			
**Telephone Participant			

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

Vice-Chair Danny Johnson called the meeting to order at 10:01 AM.

Executive Director David Felix welcomed the new RWC Accountant III Almira Santos.

**2. Call to the Public – None**

**3. Approval of RWC Board Meeting Minutes from November 17, 2016.**

A **MOTION** was made by Rick St. John and **SECONDED** by Mike Frazier to approve the RWC Board meeting minutes from November 17, 2017. **MOTION CARRIED UNANIMOUSLY (16-0)**. Board Member Dohoney arrived after this vote.

**4. RWC Annual Audit for Fiscal Year 2015/2016**

David Felix introduced Ron Stearns from CliftonLarsonAllen, LLC (CLA) to present the results of the RWC 2016 Audit. Mr. Stearns thanked the Board for allowing him to be there to present the findings of the audit.

Mr. Stearns stated that an unmodified clean opinion on the RWC financial statements has been issued. No fraudulent transactions or irregular payments were found. No material weaknesses or deficiencies in the internal control structure were found. One of the reasons for the delay in the results of the audit was that there was a new Government Accounting Standards Board opinion called (GASB) 72 that had to be adopted into FY 2016. This relates to the disclosures of investments of an organization. The other reason for the delay was the large return of payments to the members.

The cash and investments are over \$10.8M and the capital assets of the organization are over \$86.4M for \$97.3M in total assets. Current and long-term liabilities are \$7.6M so the net position or the equity of the organization since inception is in excess of \$88M. The revenues were \$23.3M. There was a loss of \$7.2M because of payment of \$14.3M being returned to the members.

A Comprehensive Annual Financial Report (CAFR) was provided to each Board Member. Copies can also be found at [rwcaz.org](http://rwcaz.org).

Mr. Stearns complimented the RWC Accountant Almira Santos for her great work on this audit.

David Felix thanked the Audit Committee for their work on approving the Audit.

A **MOTION** was made by Kevin Artz and **SECONDED** by Rick St. John to approve the RWC 2016 Annual Audit. **MOTION CARRIED UNANIMOUSLY (17-0)**.

**5. RWC Fiscal Year 2017/2018 Subscriber Unit Rate**

Almira Santos explained that the subscriber rate is determined by dividing the Staffing and O&M budget by the estimated number of subscribers on the network in 2017/18. The rate for 2017/18 if approved will be \$30.30 per radio per month which represents a \$1.73 decrease from the current rate of \$32.03. The reason

for the rates are because there was an increase of 136 units and the cost reduction of the Phoenix ITS portion of the RWC budget.

A summary of the budget breakdown by Member was provided.

David Felix mentioned that the 2017/2018 subscriber unit rate of \$30.30 per radio is a 34% reduction per subscriber unit rate since FY 2010/2011. The 2010/2011 subscriber unit rate was \$46.15.

A **MOTION** was made by Mike Frazier and **SECONDED** by Brad Miller to approve the 2017/2018 Subscriber Unit rate. **MOTION CARRIED UNANIMOUSLY (17-0).**

## 6. **RWC Financial Update for Fiscal Year 2015/16**

David Felix stated that this item was tabled at the November 11, 2017 Board Meeting because the FY 2015/2016 audit was not complete.

Almira Santos provided the Board with the RWC Financial Update for Fiscal Year 2015/2016. Total revenues collected for the fiscal year ended June 30, 2016 were \$6,578,720 and total actual operations and maintenance (O&M) expenditures were \$5,314,462. Total revenues exceeded total expenses by \$1,264,258.

The contributing revenues exceeded expenses because the Motorola services contract was renegotiated; there was a temporary vacancy in the MAI position; and ITS cost savings in Wireless Ops, Shared Microwave, and Shared Sites.

In past years, the Board of Directors approved to apply a portion of the annual year-end settlement to achieve a Required Minimum Balance (RMB) of 12.5% of the Operations and Maintenance Budget. At this time, the RWC in total has the required 12.5% minimum balance; however, as members, other public safety and non-public safety departments become operational -- their proportionate share will increase and may need to contribute to achieve their RMB.

The settlement credits were provided to each Member.

A Credit Memo was issued to each of the Members last February 01, 2017 after the 2016 CAFR Audit was approved and finalized. The Executive Committee recommends Board of Directors approval of the settlement credits calculations.

A **MOTION** was made by Paul Luizzi and **SECONDED** by Rick St. John to approve the settlement credits as proposed, with a motion to amend that the City of Goodyear be allowed to apply its settlement credit of \$28,355.60 to a Goodyear RWC project\*. **MOTION CARRIED UNANIMOUSLY (17-0).**

\*David Felix explained that this project is a City of Goodyear and City of Buckeye RWC project that will begin after July 1, 2017. The RWC will hold the Goodyear settlement credit in an account for this project.

## **7. DPS Use of G-Deck at University of Phoenix Stadium**

The Arizona Department of Public Safety (DPS) has been contracted to coordinate law enforcement and security services in and around the University of Phoenix (UoP) Stadium. DPS is not an RWC member. Previously, the City of Glendale fulfilled this role and, as an RWC Member, scheduled RWC interoperability resources for the various workgroups such as fire, SWAT, or traffic operations.

David Felix provided a letter to the RWC Board dated January 3, 2017 from DPS Director Frank Milstead asking the RWC for the continued use the G-Deck for Stadium Operations.

Mr. Felix also provided to the RWC Board the RWC administration's response to Mr. Milstead's letter that outlined the agreement between the RWC and DPS regarding DPS's temporary use of the RWC Network. This agreement is to end on June 30, 2017. This letter must be approved by the Board.

A **MOTION** was made by Mike Frazier and **SECONDED** by Paul Luizzi to approve the letter to DPS developed by the RWC Executive Director, Operational Working Group, Executive Committee and DPS. **MOTION CARRIED UNANIMOUSLY (17-0).**

## **8. RWC Chair and Vice-Chair Nomination Process**

David Felix provided an overview of the wording in the RWC Governance document regarding the terms for RWC Board Chair and Vice-Chair. The document states that the Chair is only allowed to serve one two-year term and there is no term limit for Vice-Chair. Chair Brad Hartig has served a two-year term which ends in March 2017. Vice-Chair Danny Johnson has also served for two years but is still eligible to continue to serve as Chair or Vice-Chair.

In the past the Board Chair has asked for volunteers for the Nominations Committee. Past Board meeting discussions took place in favor of the Vice-Chair transitioning in the Chair. According to Robert's Rules of Order, Nominations Committee members may submit their names for election to Chair and Vice-Chair.

Because Chair Hartig was not present at this meeting, Vice-Chair Johnson asked for volunteers for the Nominations Committee. James Hughes, Paul Luizzi, and Brad Miller volunteered to be on the committee. The committee will collect names to be nominated and voted on at the May 25, 2017 RWC Board meeting.

**9. RWC Audit Committee Vacancy**

The current Audit Committee members are Paul Luizzi, Brenda Buren, and Kevin Artz. Mr. Luizzi's term is now over and a replacement is needed either by appointment or volunteer by the Chair. David Felix explained the requirements of the position. Rick St. John volunteered to replace Mr. Luizzi.

**10. UASI 2017 Grant Application**

The RWC, on behalf of the City of Phoenix Police Department and other RWC members, applied for a \$200,000 UASI grant to purchase a real time portable spectrum analyzer, a year of cellular air card data service, and a year of spectrum monitoring fees to mitigate accidental and intentional signal jamming devices. David Felix recommended approval of this grant and the authority to administer funds if awarded.

Vice-Chair Danny Johnson asked if there has been instances where jamming has taken place. David Felix explained that there have been both criminal and non-criminal instances where RWC systems were jammed.

Bob Hansen asked about the ongoing costs of maintaining this system. Mr. Felix explained that the only continued costs would be the yearly cellular air card data service and the annual spectrum monitoring fees, both which cost under \$200,000 a year. There would be no additional equipment costs. The RWC can re-apply for another UASI grant and or the RWC Board may agree to fund the data and monitoring costs in the future. Another option would be to partner with APS or other agencies to help carry some of the costs.

A **MOTION** was made by Mike Thompson and **SECONDED** by Bob Hansen to recommend approval of the UASI grant application and the authority to administer the funds. **MOTION CARRIED UNANIMOUSLY (17-0)**.

**11. RWC Draft Governance Document**

David Felix updated the Board on the current status of the Draft Governance Document. The goal is to have the Governance Document completed and approved by the members. The IGA will have to be updated as well. Final approval is set for the end of 2017.

**12. Executive Director's Report**

A. Project Update

1. Daisy Mountain Fire District – Vice-Chair Johnson says this site is underway.
2. Paradise Valley – David Felix stated that this site is underway and that it should be completed as early as the end of 2017.

3. Pyramid Peak Site – David Felix explained that this is a newer site and that the City of Peoria, City of Glendale, City of Phoenix, and the RWC are all working together to help enhance the poor coverage in this area.
  
- B. RWC Secure Website – The Operations Working Group has asked for a secure website to place sensitive documents as well as a calendar option for access and use by the RWC members. The City of Phoenix IT Department is providing the resources for the development of this website free of charge.
  
- C. Arizona Public Safety Communication Systems Administrators Forum – The RWC hosts this forum for other emergency systems statewide. This year it was held on January 10.

**13. Announcements & Future Agenda Items**

David Felix stated that the nomination of the Chair and Vice-Chair should occur. This might occur by conference call, depending on the number of agenda items.

Vice-Chair Johnson announced that the next RWC Board of Directors meeting is scheduled on May 25, 2017 from 10:00 a.m. to 11:30 a.m.

**14. Adjournment**

Vice-Chair Danny Johnson adjourned the meeting at 11:00 a.m.

A **MOTION** was made by Mike Thompson and **SECONDED** by Paul Luizzi to adjourn the March 23, 2017 Board Meeting. **MOTION CARRIED UNANIMOUSLY (17-0).**

Respectfully submitted,

Jeanine Besnier, Management Assistant I