


<b>REGIONAL WIRELESS COOPERATIVE POLICIES AND PROCEDURES</b>	
	No. A-12.13
Subject: Capital Improvement Project Funding Policy	Effective Date 3/27/14

### **1.0 Purpose**

- 1.1. The purpose of this policy is to establish parameters for Regional Wireless Cooperative (RWC) Capital Improvement Program (CIP) projects. The policy sets the procedure for assessing total project costs to members, method of pro-rata funding by members and identification of members' multi-year funding commitments.

### **2.0 Owner**

- 2.1. RWC Board of Directors.

### **3.0 Applies To**

- 3.1. All RWC members.

### **4.0 Background**

- 4.1. The Capital Improvement Plan (CIP) Working Group was tasked with establishing a process to clearly identify required costs and funding, for a specified term, so members and their participating departments could budget CIP costs appropriately.

### **5.0 Policy Statement**

- 5.1. RWC members will be assessed CIP project costs and special assessments that are as stable and fixed as possible. Special assessments will be based on a fixed radio count, or "snapshot" established at the beginning of the project.

### **6.0 Supporting Rules**

- 6.1. The RWC Board of Directors, with recommendations from the RWC Executive Committee, will determine the point in time when an upcoming CIP project budget snapshot will be established.
- 6.2. CIP projects will be established for a specified term and will require an RWC Board of Directors formal resolution stating the purpose of the project, term of project, total cost of project and each RWC Member's fixed share of the project costs, programmed across the specified term.
- 6.3. The project must be adopted early enough to allow RWC Board Members sufficient time to seek appropriate funding authority from their respective jurisdiction and/or elected officials.

- 6.4. Based on the snapshot, the fixed cost, and the term of the project, an annual CIP rate for each year of the project will be established.
  - 6.4.1. The amount of funding may not be the same for each year of the project.
- 6.5. At the end of the CIP project term any excess funds shall either remain in the RWC CIP reserve fund for future projects, or, upon request, be returned to the Member(s) as a credit memo.
- 6.6. If a Member has the funds available earlier during the project period, a special assessment may be issued at that time for the Member.
- 6.7. Special assessments to a Member may not be increased except under the following circumstances:
  - 6.7.1. Special assessments will be added for any new Members who join during the term of the project.
  - 6.7.2. Special assessments for existing Members will be increased only if their radio counts increase more than 10%. For example, a Member adding its Police Department's radio count to the network would result in an additional special assessment.
- 6.8. Once a CIP project and the fixed special assessments are approved by the RWC Board of Directors, member agencies will not be entitled to any refund from a reduction of radio counts during the term of the project.

## **7.0 Responsibilities**

- 7.1. The Administrative Managing Member will provide billable subscriber counts to establish the annual special assessments for the term of the project for each Member.
  - 7.1.1. The subscriber snapshot counts will be determined on a date established by the Board of Directors.
- 7.2. At fiscal year-end the Administrative Managing Member will reconcile subscriber counts.
  - 7.2.1. The budget for the remainder of the project for Members with an increase in subscriber counts of more than 10% will be calculated at this time.
  - 7.2.2. Changes to existing special assessments will be calculated based on the annual CIP rate, as described in Section 6.4 above, and the number of months those subscribers are on the system.
    - 7.2.2.1. Example: Agency Y joins the RWC as a member in the thirteenth month of a thirty-six month CIP project. The agency would be responsible for the remaining twenty-four months of annual CIP costs. These special assessments will result in an excess of capital funds once collected.
- 7.3. All special assessments, or changes to special assessments, must be approved by the Board.

## **8.0 Conditions for Exemption or Waiver**

- 8.1. As provided in the Waiver or Exception Policy.

## **9.0 Applicable Policies and/or Procedures**

- 9.1. As listed at [www.rwcaz.org](http://www.rwcaz.org)