



SHELBY COUNTY EMERGENCY COMMUNICATIONS DISTRICT
Board of Directors Meeting Minutes
December 5, 2013

The following are the minutes from the Board of Director's meeting of the Shelby County Emergency Communications District ("Shelby County 911") held on Thursday, December 5, 2013, at 3150 Lenox Park Blvd. Suite 108. The meeting was called to order at 8:41 AM.

Board Members Present: R. Anderson, J. Farmer, K. Fields, B. Kramer, G. Kneeland, B. Sweeten, M.D.

Board Members Absent: C. Dates

Board Members Excused: P. Carter, R. Lincoln

Staff Present: R. Chiozza, C. Ray, S. Robinson, H. Truebger, C. Tyler, T. Zimmer

Additionally Present: R. Thompson, Shelby County 911, G. Pohlman, Scott & Pohlman, P.C., Michael Marshall, Esq., Evans Petree P.C., R. LaMondue, Memphis Police Department, T. Needham, Shelby County Public Works, Sabra Cupples, Millington Police Department, K. Brent, Motorola Solutions, A. Wathen, The Marston Group, PLC, Caren Creason, The Marston Group, PLC, R. Ivory, Shelby County Fire Department, Corey Howard, Shelby County Fire Department,

Opening Remarks

Chair Fields extended a welcome on behalf of the Full Board of Directors and the Executive Director, Raymond Chiozza, to Carmen Tyler, a new hire as Bookkeeper/Executive Administrative Assistant.

Call to Order and Roll Call

Chair Fields called the meeting of the Board of Directors to order. He began by a roll call of the members. Finding a quorum present, the meeting commenced.

Chair Fields acknowledged Sue Robinson for assuming additional responsibilities during the transitional period by presenting her with a token of appreciation and special thanks from the District.



Review and Approval of October 3, 2013 Minutes

Chair Fields confirmed everyone had the opportunity to review the minutes from the October 3, 2013 meeting. He requested a motion to approve the minutes.

Director Farmer offered a motion to approve the minutes.

Director Sweeten seconded the motion.

The board voted 6-0 to approve the minutes from the October 3, 2013 meeting.

Treasurer's Report

Chair Fields advanced the agenda to the next item for consideration: A Review of the Treasurer's Report presented by Executive Director Raymond Chiozza.

▪ **Financial Report**

Mr. Chiozza presented a review of the revenue for the period July 1, 2013 through June 30, 2014 as follows:

- \$3.2 million total year-to-date revenue,
- \$3.4 million total year-to-date expenses,
- \$ -252 thousand net year-to-date income.

▪ **Fund Balances and Investments**

Mr. Chiozza presented a review of the Working Capital Accounts as of November 18, 2013 as follows:

- Working Capital Investment Fund
 - \$10.3 million, Highland Capital Management,
 - \$ 4.0 million, First Tennessee Bank Checking
- \$14.3 million, Total Working Capital Accounts

Mr. Chiozza further added a review of the Reserve Fund Account as of November 18, 2013 as follows:

- Reserve Fund Account
 - \$21.5 million Highland Capital Management
- \$21.5 million Total Reserve Fund Account

The total Fund Balance and Investments as of November 18, 2013 are \$35.8 million. Detailed statements of value and activity were provided to substantiate Secretary Carter's report.

- Review of Audit Report FY 2012-13 June 30, 2013

Mr. Chiozza began by stating a draft was mailed to the Board of Directors as well as provided via the Board Advantage System. He introduced Greg Pohlman, CPA, to present the audit findings.

Mr. Pohlman began by a review of the opinion which states that the financial statements, in all material aspects, with respect to the Emergency Communications District of Shelby County, Tennessee are fairly represented.

The Assets and Liabilities were presented as follows:

- Assets
 - \$36.4 million Cash & cash equivalents
- Liabilities
 - \$734 thousand

These amounts represent a very good financial cash position.

The Revenue and Expenses were presented as follows:

- Operating revenue
 - \$8.2 million
- Operating expenses
 - \$8.7 million

These amounts represent a deficit of \$519 thousand. However, from a cash flow standpoint, \$1.1 million represents depreciation which is a non-cash item resulting in a positive cash flow (refer page 8 of the audit).

The statement of Cash Flows were presented as follows:

- Operating activities
 - \$765 thousand
- Capital and related financing activities
 - \$ -390 thousand

The net decrease in cash and cash equivalents is \$867 thousand, representing a sound financial position.

- Cash, Cash Equivalents and Investments
 - \$31 million Fair value of investments
 - All investment ratings are AA+

- Schedule of findings
 - The noted deficiency for the fiscal year ending June 30, 2013 was the improper timing of salary payments to an employee. No theft was involved and a procedure was implemented as part of the payroll process for the Executive Director to review and approve all payroll transactions before submission. In addition, an outside payroll service was contracted to process the payroll for all employees; and
 - The prior year deficiency for the fiscal year ending June 30, 2012 was the improper classification of revenues. This was remedied by having the outside Bookkeeper compare and agree revenue accounts to supporting remittances and documentation as part of the monthly closing procedure.

Mr. Chiozza asked if the second item in the schedule of findings was from the prior fiscal year, resulting in only one finding for the fiscal year end June 30, 2013.

Mr. Pohlman confirmed the second item was from fiscal year end June 30, 2012 and asked if there were any additional questions.

Director Kramer asked if the related party transactions were during the normal course of business, eliminating any conflicts of interest.

Mr. Pohlman stated there were no conflicts of interest.

Chair Fields added that the audit has already submitted to Shelby County due to their deadline.

Chair Fields asked if there were any additional questions concerning the audit and thanked Mr. Pohlman for his presentation. Hearing none, he requested a motion to accept the Treasurer's Report as presented by Mr. Chiozza and the audit findings as presented by Mr. Pohlman.

Director Kneeland offered a motion to accept the Treasurer's Report as presented by Mr. Chiozza and the audit findings as presented by Mr. Pohlman.

Director Anderson seconded the motion.

The board voted 6-0 to accept the Treasurer's Report as presented by Mr. Chiozza and the audit findings as presented by Mr. Pohlman.



Executive Committee

Chair Fields advanced the agenda to the next item for consideration: A review and evaluation of current investments.

Chair Fields advised the full Board that the Executive Committee has had discussions concerning how the funds of the District are invested with Highland Capital. The committee would like to have Mike Marshall, in conjunction with outside experts, review the current investments to confirm the District is getting the most value for invested dollars. He requested a motion to proceed with the requested review by Mike Marshall.

Director Kramer offered a motion, with the admonition that the focus remain on the return of the actual investment as opposed to a return on the investment. He further added that these are public funds and the focus is to preserve District funds rather than make money on District funds. The investment analyst used by Mr. Marshall should be aware of the goals and fiduciary responsibility of the Board members.

Director Farmer added an additional concern is that the funds remain locally as Highland Capital has been purchased by a company who is now located in Alabama or Georgia.

Chair Fields stated there is expertise needed in diversifying the current investments and reiterated the importance of the investment being returned.

Director Kramer offered a motion to move forward in having Mr. Marshall explore additional opportunities for investment of District funds and provide a complete report to the Board.

Director Farmer seconded the motion.

The board voted 6-0 to move forward in having Mr. Marshall explore additional opportunities for investment of District funds and provide a complete report to the Board.

Executive Director's Report

Chair Fields advanced the agenda to the next item for consideration: A review of the Executive Director's report. Mr. Chiozza presented information on the following:

- TENA Legislative Affairs Committee
 - Draft legislation was forwarded to TENA members on November 10, 2013;
 - The proposed legislation and explanation documents are included in this report;
 - A meeting was attended by Mr. Chiozza and attorney Michael Marshall on November 20, 2013 for the presentation of the bill and input; and
 - A review will be made of the final version to compare changes after the next legislative session. It is believed the wireless carriers are pushing for the changes in addition to new legislation.

Specific changes are unknown at this time. One suggestion is that all the funding is remitted to the State of Tennessee and they, in turn, would funnel it back to our organization. The goal appears to be "one rate" funding.

- Bookkeeper Position

Carmen Tyler has been hired as the District Bookkeeper. A special thanks to Public Education Coordinator Sue Robinson for assuming the additional responsibilities necessary to complete the audit and maintain the bookkeeping.
- Cassidian Vesta 4.X Upgrade

A contract has been signed with Motorola for the upgrade to our 9-1-1 controllers at each PSAP to the Vesta 4.x version. The upgrade will begin in January 2014 and is expected to be completed by the end of August 2014.
- Tennessee Emergency Number Association (TENA) Standing Committees

Mr. Chiozza has agreed to serve as the election committee chair for TENA next year. All ballots and votes are sent to Mr. Chiozza and the counting of the ballots is coordinated during the TENA conference held in September 2014.
- Employer Insurance Contributions for Retirees

Every two (2) years, the State Division of Accounts completes an actuarial valuation with every agency participant in the state, local education, and local government insurance plans. The inquiry requested the actual amount the agency currently pays on a monthly basis toward retiree health insurance premiums. In addition, if no retirees exist, indicate the amount the agency would pay if retirees existed. As we have no policy or decision regarding this matter, the Board of Directors needs to determine, if in the future, an employee retires and continues with the state health insurance plan, what, if anything, the District would contribute. The current health insurance costs are shared at the 70% - 30% rate.

Mr. Marshall stated there is a mix of participation/policies across the State of Tennessee as follows:

- The City of Memphis and Shelby County allow retirees to participate at the same rate as current employees; and
- Bartlett and Collierville allow retirees to participate at the same rate as current employees until age 65, which at that point, require them to enroll in Medicare for health insurance coverage. In addition, Bartlett provides a cash contribution of \$200.00 in order to purchase a supplemental plan. Currently there are no OPEB provisions for retirees other than the TCRS retirement system. The question becomes does the agency want to do anything regarding the matter, and if so, what?

Chair Fields advised that since the agency is on a fixed income, and health care premiums are not fixed, it may not be prudent to create a policy at this time. Since Shelby County is in the unique situation with limited resources, the result may be a policy the County is unable to maintain.

Director Sweeten agreed with Chair Fields and raised the question as to what the cost would be over time and where the funding would originate.

Chair Fields responded there is no concrete answer to the question.

Director Farmer added that from a business stand point, it is not realistic to commit to a retirement plan for employees and not be able to fund the commitment.

Mr. Chiozza advised the Board a response is required from the District.

Director Sweeten asked if the response was “no”, would there be a future opportunity to make a different decision.

Mr. Marshall responded the decision could be changed at any given time.

Director Kramer asked if there is a current pension plan that covers employees.

Mr. Chiozza advised employees are covered under the Tennessee Consolidated Retirement System (TCRS), however, there is no provision for medical benefits.

Director Anderson asked if this issue arose in the past.

Mr. Chiozza advised the inquiry was never made during his tenure.

Mr. Marshall added that some of the current staff have OPEB benefits from other entities. No one has retired from the District that did not have OPEB benefits.

Becky Anderson suggested that for the employees who do not have OPEB benefits, the provision of such should be explored.

Mr. Chiozza advised coverage is through the state of Tennessee. The coverage is provided for the employee of at the rate contribution rate of 70% (employer) and 30% (employee).

Director Anderson asked for clarity concerning the current employees having secondary health benefit coverage.

Mr. Marshall stated historically, that has been the case, which is why this question has previously not been a concern.

Chair Fields stated an agreement has to be reached amongst the Directors as to whether to table the issue for the two (2) year period or to move forward in creating a policy for OPEB.

Director Kramer offered a motion to table the issue concerning OPEB.

Director Farmer seconded the motion.

The board voted 6-0 to table the issue concerning OPEB.

- Review of Nationwide 911 Data Collection

Mr. Chiozza provided a report for review by the Board that tracks the status of 911 implementation and to provide baseline demographic information such as call volume, 911 system and physical information. In addition, to answer basic questions (i.e. the number of PSAP's, telecommunicators and 911 calls nationwide.

Wireless calls resulted in the vast majority (71%) of all 911 calls for the 19 states providing data. Wire line calls are still comprised of 28% of the total. The remaining 2% includes 1% VOIP calls and 1% all other calls, comprised of multi-line calls, telematics, etc.

- Training Classes

There are several training classes scheduled for the remainder of the year and the 1st calendar quarter of 2014. A schedule of upcoming events is included along with the information available on the website <http://www.shelbycounty911.org/events/>.

- 2014 Board Meeting and Conference Dates

The schedule for the upcoming 2014 Executive Committee and full Board of Directors meeting dates are as follows:

Executive Committee Meeting Dates	9-1-1 Board Meeting Dates
Friday, January 24, 2014	Thursday, February 6, 2014
Friday, March 21, 2014	Thursday, April 3, 2014
Friday, May 23, 2014	Thursday, June 5, 2014
Friday, July 25, 2014	Thursday, July 31, 2014
Friday, September 19, 2014	Friday, October 3, 2014
Friday, November 21, 2014	Thursday, December 4, 2014

Due to the scheduled conferences, the full Board of Directors will have off schedule meeting dates for Thursday, July 31, 2014 and Friday, October 3, 2014.

The conferences for 2014 are scheduled as follows:

- NENA, Nashville, TN Sat., June 14, 2014 - Thurs., June 19, 2014
- APCO, New Orleans, LA Sat., Aug. 2, 2014 - Thurs., Aug. 7, 2014
- TENA, Murfreesboro, TN Sun., Sept. 28, 2014 - Wed. Oct. 1, 2014

- Next Generation 911

Two videos were viewed for informational purposes. Highlights of the videos are:

- Enhancements to the 911 system have been implemented to accommodate new technology (cell phones, location tracking, data, photos and texting)
- NG 911 is an IP based system of hardware, software, standards, policies and training that will lead to safer, faster, more informed responses
- The most efficient back up plan to make sure all calls are answered when there is a call overload, power outage or natural disaster
- Tennessee has already begun implementation of NG 911
- Automatic rerouting of calls when necessary including any media attached to those calls
- Rural areas will receive the same level of service as large cities
- 100 Emergency Communication Districts will be connected across the state
- Each data center is designed to carry the load of the entire state in the event one data center fails without losing any calls



Mr. Chiozza concluded his report by stating the video reflects all the planning and investment in the new CAD systems and informational mapping projects currently being enhanced.

Chair Fields asked if there were any additional questions. Hearing none, he requested a motion to accept the Executive Director's Report.

Director Farmer offered a motion to accept the Executive Director's Report.

Director Sweeten seconded the motion.

The board voted 6-0 to accept the Executive Director's Report.

Director Kramer asked for a point of clarity concerning the scope of Mr. Marshall's investment comparison.

Mr. Marshall stated First Tennessee Bank has presented the District with a proposal to manage the investment funds. A comparison of their proposal is to be made, with that of Highland Capital and the state investments that most counties and municipalities use as well.

Director Kramer stated the District has a considerable amount of funds, and that there are a number of financial institutions, locally owned, in Shelby County and the District that would be interested in managing District investment funds.

Chair Fields stated Highland Capital has served the District well, however, the funds need to remain in Shelby County.

Mr. Chiozza added that once disbursements begin to pay for the new CAD system, 75% of existing revenue will be exhausted over the next year and a half.

Director Anderson agreed with Director Kramer in having more than one financial organization manage the investment funds of the District as there are numerous local financial institutions that would be able to accommodate the needs of the District.

Chair Fields advised Mr. Marshall to proceed with expanding the search for local management of District investment funds.

Chair Fields requested an amended motion to expand the search for local management of investment funds by Mr. Marshall.

Director Kramer offered an amended motion to expand the search for local management of investment funds by Mr. Marshall.

Director Farmer seconded the amended motion.



The board voted 6-0 to expand the search for local management of investment funds by Mr. Marshall.

Chair Fields asked if there was any old business for discussion. Hearing none, he asked if there was any new business for discussion.

Chair Fields advised the Board that Director Sweeten's father has been missing for six (6) weeks. He offered Director Sweeten the opportunity to comment.

Director Sweeten thanked everyone for their assistance and influence indicating the Millington Police Department and the Shelby County Sheriff's Department have been very diligent in their involvement. She stated the investigation and search are continuing.

Chair Fields reiterated the importance of 911 and our service to the community. He then requested a motion to adjourn the meeting.

Director Farmer offered a motion to adjourn the meeting.

Director Kramer seconded the motion.

The Board voted 6-0 to adjourn the meeting.

The meeting was adjourned.

The next regularly scheduled meeting will be Thursday, April 3rd, 2014.

Approved by:

Patrick Carter
Secretary/Treasurer

Minutes transcribed by: Carmen Tyler, Bookkeeper / Administrative Assistant