



SHELBY COUNTY EMERGENCY COMMUNICATIONS DISTRICT
Board of Directors Meeting Minutes
April 3, 2014

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, April 3, 2014, at 3150 Lenox Park Blvd. Suite 108. The meeting was called to order at 8:36 AM.

Board Members Present: R. Anderson, Patrick Carter, C. Dates, J. Farmer, K. Fields, G. Kneeland, R. Lincoln, B. Sweeten, M.D.

Board Members Absent: B. Kramer

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

Additionally Present: Michael Marshall, Esq., Evans Petree P.C., Dawn Downer, Shelby County Sherriff's Department, Rhonda Davis, Shelby County Sherriff's Office, Renee LaMondue, Memphis Police Department, Ashley Wathen, The Marston Group, PLC, Rex Holloway, Mission Critical Partners, Mrs. Carter, Marvin Pender, Memphis Police, Wink Downen, Shelby County Sheriff's Office, Roberta Ivory, Shelby County Fire Department.

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.

Review and Approval of February 6, 2014 Minutes

Chair Fields confirmed everyone had the opportunity to review the minutes from the February 6, 2014 meeting. He requested a motion to approve the minutes.

Director Kneeland offered a motion to approve the minutes.

Director Lincoln seconded the motion.

The board voted 8-0 to approve the minutes from the February 6, 2014 meeting.

Treasurer's Report

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

▪ **Financial Report**

Director Carter presented a review of the revenue for the period July 1, 2013 through June 30, 2014 as follows:

- \$6.1 million total year-to-date revenue,
- \$5.8 million total year-to-date expenses,
- \$258 thousand net year-to-date income.

▪ Fund Balances and Investments

Director Carter presented a review of the Working Capital Accounts as of January 29, 2014 as follows:

- Working Capital Investment Fund
 - \$10.4 million, Highland Capital Management,
 - 1 million, First Tennessee Bank Checking
- \$14.5 million, Total Working Capital Accounts

Director Carter further added a review of the Reserve Fund Account as of January 29, 2014 as follows:

- Reserve Fund Account
 - \$21.6 million Highland Capital Management
- \$21.6 million Total Reserve Fund Account

The total Fund Balance and Investments as of February 28, 2014 are \$36.1 million.

Director Carter concluded the Treasurers Report.

Chair Fields requested a motion to accept the Treasurers Report as presented.

Director Sweeten offered a motion to accept the Treasurer's Report as presented by Director Carter.

Director Kneeland seconded the motion.

The board voted 8-0 to accept the Treasurer's Report as presented by Director Carter.

Investment Analysis Update

Chair Fields advanced the agenda to the next item for consideration: An update from Board Attorney Michael Marshall regarding investment analysis.

Mr. Marshall requested a motion for approval of a drafted letter to be presented Steve Wishnia, of Highland Capital for the purpose of advising Highland Capital of the following:

- District capital may only be invested in US bonds, US agency funds, Tennessee bonds, or the LGIP Fund (Local Government Investment Pool). In addition, no investments are allowed to have a maturity date of more than five years, with 80% of funds maturing in less than two years or less,
- Funds currently held by Highland Capital are in violation of the state laws concerning investment; as a result, the District is non-compliant, since the maturity dates exceed the allowable time frame and the bonds are not Tennessee State bonds.

- Historically, this is the second time this issue has been brought to the attention of Highland Capital; as a result the District is exposed to more risk than what is permissible by the State of Tennessee.

Mr. Marshall requested a motion for approval of the letter to be forwarded to Highland Capital. Director Anderson offered a motion to approve and forward the letter to Highland Capital.

Director Lincoln seconded the motion.

Director Carter clarified the non-compliance is a result of the term of the invested funds and the type of investments.

Mr. Marshall responded that is correct.

The board voted 8-0 to approve and forward the letter to Highland Capital.

Director Carter asked what can be done to remedy this situation and move the District in to compliance.

Mr. Marshall recommended the Executive Director move the funds from Highland Capital to LGIP until the Finance Committee can determine where to invest the funds.

Director Carter confirmed this action would reduce costs and the District would be in compliance with state requirements.

Chair Fields clarified that by investing in LGIP the funds would be governed by state management as opposed to private industry (Highland Capital). In addition, the costs and risk would be decreased along with profits. The discussion concluded with the Board requesting a side-by-side comparison of the potential fund managers that includes basis points and fees.

Chair Fields requested a motion to have Highland Capital liquidate our position as soon as reasonably possible, and direct the Executive Director to open an account with the LGIP.

Director Anderson inquired are there any penalties for the District being out of compliance?

Mr. Marshall requests, in the letter to Highland Capital, that they absorb any financial penalties that are a result of their investment choices concerning the Districts funds.

Director Farmer offered a motion to accept the advice of legal counsel, liquidate the Highland Capital investments and reinvest those funds with the LGIP.

Director Anderson seconded the motion.

The board voted 8-0 to accept the advice of legal counsel, liquidate the Highland Capital investments and reinvest those funds with the LGIP.

Public Education Committee

Chair Fields advanced the agenda to the next item for consideration: A request to issue a resolution declaring April 13, 2014 – April 19, 2014 as “National Telecommunicator Week”. Director Chiozza requested a resolution in honor of the PSAPS declaring April 13, 2014 – April 19, 2014 as “National Telecommunicator Week”. He provided a sample of the lap blankets to be presented to the PSAP’s as a token of appreciation from the Board of Directors to the 911 Dispatchers.

Chair Fields requested a motion to distribute the lap blankets and resolution during “National Telecommunicator Week” to the PSAPS.

Director Farmer offered the motion.

Director Carter seconded the motion.

The Board voted 8-0 in support of “National Telecommunicator Week”.

Executive Directors Report

Chair Fields advanced the agenda to the next item for consideration: A review of the Executive Director’s report.

Director Chiozza presented information on the following:

- The various legislation that occurred, advising TENA opposed both amendments
- The Memphis Police Department site visit related to the CAD system
- Budget adjustments for FY13-14
 - a request for budget amendments were requested by the Executive Director. The line item adjustments are as follows:
 - \$33,572**
from Data Processing Fees (4303)
to Financial Advisory Services (4214)

 - \$65,000**
from Public Education (4415)
to Administrative Fees Telephone(4205)

Chair Fields requested a motion to accept the required budget adjustments per the Executive Directors advisement.

Director Farmer offered the motion to accept the requested budget adjustments as indicated by the Executive Director.

Director Carter seconded the motion.

The Board voted 8-0 to accept the requested budget adjustments.

Mr. Chiozza continued his report with the following:

- Training Classes
- 2014 Conferences
- Budget Assumptions
 - The 911 Funding Modernization and IP Transition Act of 2014 which includes House Bill 2255 and Senate Bill 2407 become law July 1, 2014. The new funding process will be implemented January 1, 2015 which is in the middle of our fiscal year. As a result, it will require budget adjustments in the following line items:
 - 3000 Revenue
Shelby County will receive FY11-12 revenue from the State TECB in the amount of \$8,837,048. We should provide half of this amount \$4,418,524 (January-June 30, 2015) reflected in line item 3004 (Other Operating Revenues)
 - 4205 Administrative Fees
Reflect the fees each Telco vendor withholds for collecting and processing the 911 service fee. The \$85,248 represents half of the fees retained.
 - 4418 Training Expenses
There are funds set aside for PSAPs within the District. Budgeting for training funds will continue to be based on the same formula used by the State of Tennessee.
- The first reading of the proposed FY14 - 15 Budget

Director Chiozza asked if there were any questions. Hearing none he concluded the first reading of the proposed FY14 - 15 Budget.

Chair Fields requested a motion to accept the first reading of the proposed FY14 - 15 Budget.

Director Farmer offered the motion to accept the first reading of the proposed FY14 - 15 Budget.

Director Dates seconded the motion.

The Board voted 8-0 to accept the first reading of the proposed FY14 - 15 Budget.

Executive Director Chiozza asked if there were any questions. Hearing none, he concluded his report.

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

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

Director Farmer seconded the motion.

The board voted 8-0 to accept the Executive Director's Report.

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 asked to remember the family of Steve Beatty, who maintained our telephone switches at several PSAP locations. He also recognized Renee LaMondue of the Memphis Police Department and Libby Kelly from the Sherriff's Department on their retirement. He welcomed Dawn Downer for stepping in as an interim Communications Manager at the Sherriff's Department PSAP.

Chair Fields asked if there was any additional new business for discussion. Hearing none, he asked for a motion to adjourn the meeting.

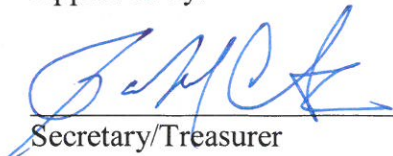
Director Kneeland offered a motion to adjourn the meeting.

Director Farmer seconded the motion.

The Board voted 8-0 to adjourn the meeting.

The meeting was adjourned at 9:20 AM.

Approved by:


Secretary/Treasurer

Minutes transcribed by: Carmen Tyler, Bookkeeper