



**Regional Wireless Cooperative**  
**Board of Directors**  
**Agenda**  
**November 15, 2018**  
**10:00 a.m. – 11:30 a.m.**

|    | <b>ITEM</b>   | <b>PRESENTER</b>  |
|----|---|---|
| 1) | <b>Call to Order, Roll Call, Opening Comments</b>   | <p style="text-align: center;">Vice Chair<br/>Danny Johnson</p>   |
| 2) | <p><b>Call to the Public</b><br/>           A member of the public may request to address the Board by submitting a blue card that is available at the entry of the room. Speakers will be considered at the sole discretion of the Board Chairman, and will be allotted no more than three (3) minutes to speak.</p> | <p style="text-align: center;">Vice Chair<br/>Danny Johnson</p>   |
| 3) | <p><b>Approval of RWC Board Meeting Minutes from August 23, 2018 Meeting</b><br/> <b>This item is for information, discussion, and action.</b></p>  | <p style="text-align: center;">Vice Chair<br/>Danny Johnson</p> <p style="text-align: center;">Est. 2 min.</p>  |
| 4) | <p><b>Approval of the New RWC Executive Director</b><br/>           The RWC Executive Committee recommends approval of Mr. John Imig as the new RWC Executive Director with an effective date of January 7, 2019.<br/> <b>This item is for information, discussion, and action.</b></p>                               | <p style="text-align: center;">Milton Dohoney –<br/>           City of Phoenix<br/>           Assistant City Manager</p> <p style="text-align: center;">David Felix –<br/>           RWC Executive Director</p> <p style="text-align: center;">Est. 10 min.</p> |
| 5) | <p><b>RWC Chair and Vice Chair Nomination Process</b><br/>           The Executive Committee recommends that the RWC Chair solicit volunteers or appoint three members of the RWC Board of Director's to serve on a nominating committee.<br/> <b>This item is for information, discussion, and action.</b></p>       | <p style="text-align: center;">David Felix –<br/>           RWC Executive Director</p> <p style="text-align: center;">Est. 10 min.</p>  |



Regional Wireless Cooperative

Board of Directors

Agenda

November 15, 2018

10:00 a.m. – 11:30 a.m.

|            |   |   |
|------------|---|---|
| <p>6)</p>  | <p><b>RWC Annual Audit for Fiscal Year 2017/18</b><br/>         The purpose of this item is to provide an update to the Board on the RWC's Annual Audit.<br/> <b>This item is for information and discussion.</b></p>   | <p>David Felix –<br/>         RWC Executive Director</p> <p>Almira Santos –<br/>         RWC Accountant III</p> <p>Est. 5 min.</p>      |
| <p>7)</p>  | <p><b>Financial Update for Fiscal Year 2017/18</b><br/>         The purpose of this item is to present Fiscal Year 2017/18 financial updates to the board.<br/> <b>This item is for information, discussion, and action.</b></p>  | <p>Almira Santos –<br/>         RWC Accountant III</p> <p>Est. 10 min.</p>  |
| <p>8)</p>  | <p><b>System Upgrade Agreement (SUA) II Funding Update</b><br/>         The purpose of this report is to update the Board on changes to SUA II costs to Members.<br/> <b>This item is for information, discussion, and action.</b></p>  | <p>Almira Santos –<br/>         RWC Accountant III</p> <p>Est. 10 min.</p>  |
| <p>9)</p>  | <p><b>RWC 2019/2020 Budget Overview and 5-Year Plan</b><br/>         The purpose of this item is to present the proposed 2019/20 RWC Budget and 5-Year Plan to the Board.<br/> <b>This item is for information, discussion, and action.</b></p>   | <p>Almira Santos –<br/>         RWC Accountant III</p> <p>Est. 10 min.</p>  |
| <p>10)</p> | <p><b>Resolution for the RWC Board of Directors to Adopt Management Responsibility for the Fire Conventional (VHF) Radio Network</b><br/>         The purpose of this item is to request Board approval to adopt management responsibility for the Fire Conventional (VHF) Radio Network.<br/> <b>This item is for information, discussion, and action.</b></p> | <p>David Felix –<br/>         RWC Executive Director</p> <p>Jeff Schripsema -<br/>         Phoenix Fire<br/>         Division Chief</p> |



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Board of Directors

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November 15, 2018

10:00 a.m. – 11:30 a.m.

|            |  |  |
|------------|--|--|
| <p>11)</p> | <p><b>Approval of the Fire Conventional (VHF) System 5-Year Budget and Implementation Plan</b><br/>         The purpose of this item is to request Board approval for the adoption of the Fire Conventional (VHF) 5-year Budget and Implementation Plan.<br/> <b>This item is for information, discussion, and action.</b></p> | <p>David Felix –<br/>         RWC Executive Director</p> <p>Jeff Schripsema -<br/>         Phoenix Fire<br/>         Division Chief</p> <p>Almira Santos –<br/>         RWC Accountant III</p> |
| <p>12)</p> | <p><b>Executive Director’s Report</b></p> <p>A. 2018 RWC Annual Report<br/>         B. New Governance Document Approval Timeline<br/>         C. 2019 RWC Calendar</p> <p><b>This item is for information and discussion.</b></p>  | <p>David Felix –<br/>         RWC Executive Director</p> <p>Est. 10 min.</p>   |
| <p>13)</p> | <p><b>Announcements, Public Comment, Future Agenda Items</b><br/>         The purpose of this item is to communicate any Board announcements, additional public comment, or future agenda items.<br/> <b>This item is for information only.</b></p>  | <p>Vice Chair<br/>         Danny Johnson</p>   |
| <p>14)</p> | <p><b>Adjourn</b></p>  | <p>Vice-Chair<br/>         Danny Johnson</p>   |



**Regional Wireless Cooperative  
Board of Directors  
MINUTES  
November 15, 2018**

City of Phoenix  
200 W. Washington Street, 7<sup>th</sup> Floor  
Phoenix, Arizona 85003

| Board Members Present |                          |                       | Board Members Absent |
|-----------------------|--------------------------|-----------------------|----------------------|
| Bob Costello **       | Michael Cole             |                       | Tim Van Scoter       |
| Val Gale              | Milton Dohoney           |                       | Kevin Artz           |
| Rick St. John **      | Brad Hartig              |                       | Paul Marzocca        |
| Paul Luizzi           | Jason Casey *            |                       | Roy Stanifer         |
| Wayne Clement         | Mike Frazier             |                       |                      |
| Lonnie Inskeep        | Brenda Buren             |                       |                      |
| Katie Gregory *       | Mike Folia *             |                       |                      |
| Danny Johnson         | Steve Godinez ^          |                       |                      |
| *Board Alternate      | ** Telephone Participant | ^Non-Voting Alternate |                      |

**Staff and Public Present**

|                          |                 |                    |  |
|--------------------------|-----------------|--------------------|--|
| Alan Zangle              | Nicole Diedrick | Dale Shaw**        |  |
| Jeff Schripsema          | Nick Spino      | Dennis Murphy**    |  |
| Milan Dobras             | Terry Young     | Karen Sutherland** |  |
| Kerry Swick              | Ron Parks       | Chris Greene**     |  |
| Todd Rogers              | Keith Slattery  | Jimmy Trivedi      |  |
| Jason Costello           | Michelle Park   |                    |  |
| Jennifer Hagen**         | John Imig       |                    |  |
| Dave Collett             | Tom Grebner**   |                    |  |
| Stuart Snow              | Dave Scott**    |                    |  |
| ** Telephone Participant |                 |                    |  |

1. **Call to Order, Roll Call and Opening Comments**  
Vice-Chair Johnson called the meeting to order at 10:01 AM.
2. **Call to the Public – None**
3. **Approval of RWC Board Meeting Minutes from August 23, 2018**

A **MOTION** was made by Mike Frazier and **SECONDED** by Brad Hartig to approve the August 23, 2018 RWC Board meeting minutes. **MOTION CARRIED UNANIMOUSLY (15-0)**.

**4. Approval of the New RWC Executive Director**

RWC Executive Director David Felix introduced the City of Phoenix Board Representative Milton Dohoney, who is also the Assistant City Manager. Mr. Dohoney explained the interview process and how one of his main responsibilities with the City of Phoenix is to coordinate executive level hiring. He was directly involved in the selection process to replace Mr. Felix, who will be retiring at the end of 2018. After an extensive search, the finalist hiring panel, of which Mr. Dohoney and Scottsdale Board Representative Brad Hartig were on, unanimously selected Mr. John Imig as the next RWC Executive Director. Mr. Imig is the Chief Information Officer with the City of Peoria and has previously served as an RWC Board member, chairman and on several RWC working groups. Mr. Dohoney thanked Mr. Felix for his involvement with the hiring process. Mr. Felix said that Mr. Imig's start date will be January 7, 2019. He also stated that with Mr. Imig's background with the RWC, his transition into his new position should go smoothly.

A **MOTION** was made by Milton Dohoney and **SECONDED** by Paul Luizzi to approve John Imig as the new RWC Executive Director. **MOTION CARRIED UNANIMOUSLY (15-0).**

After the Motion was approved, Mr. Imig told the Board that he was excited about this opportunity. He pointed out that Mr. Felix has done an incredible job building the RWC from scratch. Mr. Imig is looking forward to taking on this new role and is looking forward to working with the RWC staff and Board Members. Mr. Imig mentioned that he will formally resign from his position as the Chair of the RWC.

Note: Mr. Imig had previously recused himself from the Board and his Chairmanship responsibilities so that he could participate in the Executive Director process.

**5. RWC Chair and Vice Chair Nomination Process**

Vice Chair Danny Johnson had previously announced his retirement from Daisy Mountain Fire Department effective March of 2019. And with Chair John Imig resigning as Chair, both the Chair and Vice Chair positions will need to be filled. Executive Director David Felix explained to the Board the RWC Governance requirements regarding the election of both the Chair and Vice Chair. Vice Chair Johnson solicited the Board for volunteers to serve on a nominating committee to select both the next Chair and Vice Chair. Scottsdale Representative Brad Hartig, Chandler Representative Val Gale, and Paradise Valley Representative Michael Cole volunteered. The Chair and Vice Chair nominees will be presented and voted on at the February 28, 2019 meeting.

**6. RWC Annual Audit for Fiscal Year 2017/18**

Executive Director David Felix briefed the Board on progress of the RWC FY 2017/18 Annual Audit. CliftonLarsonAllen, LLP (CLA) was again selected to perform the audit. The RWC Audit Committee Members and City of Phoenix staff met with CLA on September 4, 2018 for the audit kick-off meeting. The audit is on schedule and the findings are to be presented at the February 2019 Board meeting.

**No action was taken**

**7. Financial Update for Fiscal Year 2017/18**

Executive Director David Felix and RWC Accountant III Almira Santos briefed the Board on the RWC Financial Update for Fiscal Year 2017/18. Mr. Felix pointed out that the total settlement collected from Members has been reduced from as high as \$2.4 million in past Fiscal Years to \$178,000 in FY 2017/18.

A **MOTION** was made by Michael Frazier and **SECONDED** by Lonnie Inskeep to approve the Financial Update. **MOTION CARRIED UNANIMOUSLY (15-0).**

**8. System Upgrade Agreement (SUA) II Funding Update**

RWC Accountant III Almira Santos brief the Board on how total taxes for the life of the SUA II project weren't factored into the total contract amount by Motorola. The total estimated taxes over the life of the 10-year contract is \$2,193,955.59. Also, the City of Avondale cancelled the purchase of their NICE logging recorders though Motorola, resulting in a \$180,813 credit to the total SUA II contract amount.

**No action was taken**

**9. RWC 2019/20 Budget Overview and 5-year Plan**

RWC Accountant III Almira Santos presented the proposed budget for the upcoming Fiscal Year 2019/20 and the 5-year Plan.

Executive Director David Felix pointed out that a position that was once assigned to the Radio Services area has been reassigned to the RWC. The job of the person in that position is to track every radio on the system. This position is solely for the support of the RWC. The cost of this additional position has been reflected in the Budget.

A **MOTION** was made by Milton Dohoney and **SECONDED** by Paul Luizzi to adopt the proposed budget. **MOTION CARRIED UNANIMOUSLY (15-0).**

Note: City of Phoenix Board Representative Milton Dohoney left the meeting at this point.

**10. Resolution for the RWC Board of Directors to Adopt Management Responsibility for the Fire Conventional (VHF) Radio Network**

Executive Director David Felix told the Board that the VHF Working Group was formed to study the feasibility and requirements for bringing the Phoenix Fire VHF (Conventional) Radio System under RWC management. Phoenix Fire Chief Jeff Schripsema thanked the Board for allowing the formation of the VHF Working Group. The adoption of management responsibility by the RWC creates stability and the ability to engage in long-term planning. Management by the RWC model will maintain the operational safety component that is critical to firefighting operations. He thanked everyone for their help.

Mr. Felix advised that Vice Chair Danny Johnson will sign the formal Resolution on behalf of the RWC Board of Directors. He explained that, once signed, the resolution will go to the Phoenix City Council on behalf of the RWC as the Administrative Managing Member.

A **MOTION** was made by Brad Hartig and **SECONDED** by Mike Frazier to approve the Resolution for the RWC Board of Directors to Adopt Management Responsibility for the VHF Network. **MOTION CARRIED UNANIMOUSLY (14-0).**

**11. Approval of the Fire VHF (Conventional) System 5-year Budget and Implementation Plan**

Executive Director David Felix reported the VHF Working Group worked with RWC Accountant III Almira Santos and the City of Phoenix Fire Department to develop the Fire Conventional System 5-year Budget. The Budget is based on a technical plan which is based on the system as it exists now. Only Members that have Fire components are included in the Budget and Plan. Non-Fire Members will not be billed.

City of Scottsdale Representative Brad Hartig said that within the 700/800 budget that was just approved, there was an increase in O&M and Staffing from year to year and, in the case of the Fire Conventional Radio budget, the O&M rate is “flat”. City of Phoenix Lead IT System’s Specialist Thomas Grebner explained to the Board that the O&M and Staffing (for the Conventional Radio System) was established from an average of the (700/800) 5-year O&M and Staffing averages. Mr. Felix replied that the amount is a baseline amount and in future years it will be adjusted based on the actual work orders that are applied. The numbers could go up and down based on the work on the Conventional system. There was nothing to initially establish a baseline amount on.

Vice Chair Danny Johnson said that as the VHF system will be managed with the current staff that manages the RWC system, the 3% for personnel cost may be shared between the City of Phoenix and City of Scottsdale instead of being lumped in with the current Budget. Mr. Hartig said yes, non-Member agencies wouldn’t be bearing the O&M costs of the increase that the 700/800 would. He thinks it’s appropriate to share that cost as calculated across both systems based on usage. Mr. Johnson suggest a 2% increase to the 700/800 System and a 1% increase to the VHF System instead of the 3% to the VHF System. Mr. Grebner said that the amount of maintenance that goes into the VHF System is much less than that which goes into the 700/800 System and said that a 1% increase could be calculated in. He doesn’t see it increasing and it might even come down, but there is a chance of an increase in O&M in the future. Mr. Hartig said that the O&M and any increases with that would be carried by the 700/800 System vs. the VHF System. Mr. Felix said that Staff will make that adjustment and present it at the February 2019 Board meeting.

Mr. Felix also updated the Board on the VHF Implementation Plan. In addition to developing the accounting structure, the working group is working with the City of Phoenix Law Department to find the best way to bring the three Interoperability Participates - Tonopah, Harquahala, and Buckeye Valley Fire Districts - on the

VHF Network without having to have an IGA for each one. It might be possible to have an umbrella IGA or a letter from the Board of Directors. A Conventional Working Group (CWG), that will operate much like the Operations Working Group, will be created to provide technical review and operational oversight. Members of the CWG will be comprised of Fire Members only. Mr. Johnson said that the working group has started to reach out to other Fire partners for participation. Finally, there is an ongoing need to evaluate VHF coverage, infrastructure equipment replacement, and capital replacement.

A **MOTION** was made by Val Gale and **SECONDED** by Lonnie Inskeep to approve the VHF 5-year Budget and Implementation Plan. **MOTION CARRIED UNANIMOUSLY (14-0).**

12. **Executive Director's Report**

- A. 2018 RWC Annual Report – The 2018 RWC Annual Report is online.
- B. New Governance Document Approval Timeline – The new Governance goes into effect on January 1, 2019.
- C. 2019 RWC Calendar

13. **Announcements & Future Agenda Items**

Dave Collett, City of Peoria, announced that the Pyramid Peak site is scheduled to go online next Monday. Executive Director David Felix said that the Vistancia site plan is also underway.

Mr. John Imig also wanted to thank his wife, Carin, for her support and encouragement.

Mr. Felix said that he will be available to all Members until the end of the year and he thanked everyone for their support over his tenure.

Vice Chair Danny Johnson told the Board that this is Mr. Felix's last meeting and he thanked him for his service. He also let the Board know that there will be a reception planned directly after the meeting for him, and asked everyone to join in thanking him personally.

The next RWC Board meeting will be on February 28, 2019.

14. **Adjournment**

Vice Chair Johnson adjourned the meeting at 11:34 a.m.

A **MOTION** was made by Mike Frazier and **SECONDED** by Paul Luizzi to adjourn the November 15, 2018 Board Meeting. **MOTION CARRIED UNANIMOUSLY (14-0).**



Respectfully submitted,

Jeanine Besnier, Management Assistant I



## BOARD OF DIRECTORS REPORT

|          |  |              |                   |
|----------|--|--------------|-------------------|
| TO:      | Regional Wireless Cooperative (RWC) Board Members  | Agenda Date: | November 15, 2018 |
| FROM:    | Milton Dohoney, City of Phoenix Assistant City Manager;<br>David Felix, RWC Executive Director |              | Item 4            |
| SUBJECT: | <b>APPROVAL OF THE NEW RWC EXECUTIVE DIRECTOR</b>  |              |                   |

### BACKGROUND

The RWC Executive Director is the chief administrative officer responsible for coordination of the RWC and Network activities. The City of Phoenix, as the Administrative Managing Member, subject to the approval of the Board of Directors, appoints the Executive Director to perform RWC administrative duties. The RWC Executive Director reports to the Board of Directors and serves as a non-voting member of the Board.

At the February 22, 2018 RWC Board of Directors meeting, Executive Director David Felix formally announced his intent to retire. His last day of employment with the City of Phoenix will be December 31, 2018.

At the May 24, 2018 Board of Directors meeting an "Executive Director Selection Committee" consisting of Goodyear Fire Chief Paul Luizzi and Tempe Police Department Assistant Chief Brenda Buren was established to represent the Board and coordinate with the City of Phoenix HR Department in developing and conducting the selection process.

### THE ISSUE

Mr. Milton Dohoney, City of Phoenix Assistant City Manager and RWC Board Member; and Executive Director David Felix will update the Board on the selection process and introduce Mr. John Imig as the next RWC Director. Mr. Imig's selection will require formal approval by the RWC Board of Directors.

### RECOMMENDATION

The RWC Executive Committee recommends approval of Mr. John Imig as the new RWC Executive Director with an effective hiring date of January 7, 2019.

This agenda item is for information, discussion, and possible action.



## BOARD OF DIRECTORS REPORT

|          |  |              |                   |
|----------|--|--------------|-------------------|
| TO:      | Regional Wireless Cooperative (RWC) Board Members  | Agenda Date: | November 15, 2018 |
| FROM:    | David Felix, RWC Executive Director                |              | Item 5            |
| SUBJECT: | <b>RWC CHAIR AND VICE CHAIR NOMINATION PROCESS</b> |              |                   |

### BACKGROUND

The new RWC Governance, which takes effect on January 1, 2019; Section 2.2.2., Chair and Vice Chair states, *“The Board must elect one of its Members as Chair. The Chair will be the presiding officer of the Board, must serve a two-year term, and remains a full voting Representative. The Chair cannot serve more than two consecutive terms”* and *“The Board must elect one of its Representatives as Vice Chair. The Vice Chair must execute the duties of the Chair during the absence or disability of the Chair.”*

### THE ISSUE

Mr. John Imig will be assuming the position of RWC Executive Director on January 7, 2019. During his time on the RWC Board of Directors, Mr. Imig was selected by the Board to serve as the Board Chair. At the May 2018 Board meeting Mr. Imig recused himself from the RWC Board of Directors and his chairmanship responsibilities so that he could participate in the RWC Executive Director selection process. Since that time, Vice Chair Danny Johnson has served as RWC Board Chair.

Recently, Chief Johnson announced that he will be retiring from the Daisy Mountain Fire Department in March 2019. Therefore, the Board will need to appoint both the Chair and Vice Chair at the February 28, 2019 meeting.

In keeping with the policy and practice of past Board actions, the Chair will appoint or solicit three volunteers from the Board to serve as a Chair and Vice-chair nominating committee. The nominating committee will solicit nominees for the Chair and Vice Chair positions with the name(s) presented at the February 28, 2019 Board of Directors meeting for a formal vote and appointment to the Chair and Vice Chair positions.

### RECOMMENDATION

The Executive Committee recommends that the RWC Chair solicit volunteers or appoint three members of the RWC Board of Directors to serve as the nominating committee with the goal to place names into nomination for election of a new Chair and Vice Chair at the February 28, 2019 meeting.

This agenda item is for information, discussion, and possible action.



## BOARD OF DIRECTORS REPORT

|          |   |              |                   |
|----------|---|--------------|-------------------|
| TO:      | Regional Wireless Cooperative (RWC) Board Members | Agenda Date: | November 15, 2018 |
| FROM:    | David Felix, RWC Executive Director               |              | Item 6            |
| SUBJECT: | <b>RWC ANNUAL AUDIT FOR FISCAL YEAR 2017/18</b>   |              |                   |

### BACKGROUND

The RWC Governance requires an annual independent audit of RWC financial records. The RWC Executive Director and Accountant III will provide an update on the audit process being conducted by CliftonLarsonAllen, LLP (CLA).

### THE ISSUE

The annual RWC financial audit work is being conducted by the firm of CliftonLarsonAllen, LLP (CLA). On September 4, 2018, RWC and City of Phoenix staff attended the audit kickoff meeting with representatives of CLA to discuss the process, timeline, and significant audit focus areas. The standard focus of the audit will be on pooled cash and investments, revenue, and expenditures.

The City of Phoenix Financial Accounting and Reporting Division (FAR), under the Finance Department, continues to take the lead in updating the Comprehensive Annual Financial Report (CAFR) and working with CLA's audit team during their field work. The RWC Accountant III is providing information and staff support as needed.

On October 23, 2018, RWC Audit Committee members, which include City of Glendale Police Chief Rick St. John, and City of Avondale Deputy City Manager Kevin Artz, met with CLA and the RWC staff for an update on the audit process. CLA will formally brief the Board of Directors on its findings at the February 2019 Board meeting.

This agenda item is for information and discussion.



## BOARD OF DIRECTORS REPORT

|          |   |              |                   |
|----------|---|--------------|-------------------|
| TO:      | Regional Wireless Cooperative (RWC) Board Members | Agenda Date: | November 15, 2018 |
| FROM:    | Almira Santos, RWC Accountant III                 |              | Item 7            |
| SUBJECT: | <b>FINANCIAL UPDATE FOR FISCAL YEAR 2017/18</b>   |              |                   |

### BACKGROUND

The purpose of this report is to present Fiscal Year 2017/18 financial updates to the RWC Board of Directors.

### THE ISSUE

The RWC Governance states that year-end expenditure reporting shall be provided to the RWC Board of Directors. This report is a summary of total revenues and expenses for fiscal year 2017/18. Total revenues collected for the fiscal year ended June 30, 2018 were \$6,789,898.35 and total actual operations and maintenance (O&M) expenditures were \$6,647,493.97. Total revenues exceeded total expenses for Members by \$141,276.11. After adding interest earned for FY18 of \$36,749.00, this makes up a total settlement credit of \$178,025.11 back to the Members.

The main variances from budget to actuals occurred in the following areas contributing revenues to exceed expenses:

- Only one third of the budget allotted for Resource Guru was expended
- Minor reduction in utility expenses
- Only half of the Contingency Expense allotment was utilized

Settlement credits for each Member are presented on the next page.

**Proposed Regional Wireless Cooperative Settlement Credits**

| <b>Member</b>                              | <b>2017/18<br/>Settlement</b> |
|--|-------------------------------|
| Arizona Fire & Medical Authority           | \$ (935.55)                   |
| Avondale                                   | (4,060.08)                    |
| Buckeye                                    | (3,387.50)                    |
| Chandler                                   | (11,274.70)                   |
| Daisy Mountain                             | (235.51)                      |
| El Mirage                                  | (1,224.24)                    |
| Glendale                                   | (11,715.33)                   |
| Goodyear                                   | (3,970.94)                    |
| Guadalupe                                  | (94.20)                       |
| Maricopa                                   | (2,214.04)                    |
| Maricopa County Community College District | (2,476.85)                    |
| Paradise Valley                            | (3,093.80)                    |
| Peoria                                     | (6,615.01)                    |
| Phoenix                                    | (93,423.26)                   |
| Scottsdale                                 | (14,234.10)                   |
| Sun City FD                                | (550.61)                      |
| Surprise                                   | (4,985.34)                    |
| Tempe                                      | (12,276.01)                   |
| Tolleson                                   | (1,258.05)                    |
|  | <b><u>\$ (178,025.11)</u></b> |

**RECOMMENDATION**

The RWC Executive Committee recommends Board approval to apply each Member's fiscal year 2017/18 settlement credit towards their next quarter billing for FY2018/19.



## BOARD OF DIRECTORS REPORT

|          |   |              |                   |
|----------|---|--------------|-------------------|
| TO:      | Regional Wireless Cooperative (RWC) Board Members       | Agenda Date: | November 15, 2018 |
| FROM:    | Almira Santos, RWC Accountant III                       |              | Item 8            |
| SUBJECT: | <b>SYSTEM UPGRADE AGREEMENT (SUA II) FUNDING UPDATE</b> |              |                   |

### BACKGROUND

The Motorola contract for the System Upgrade Agreement (SUA II) was renewed for 10 years starting July 1, 2018 through June 30, 2028. The 10-year contract resulted in a multi-year discount cost savings of \$4,293,214.29 over the 10-year contract period.

The purpose of this report is to update the Board of Directors on changes to SUA II costs due to inclusion of applicable taxes and reduction of costs associated with the City of Avondale's cancellation of their NICE logging recorders that were reflected in the original cost proposal.

### THE ISSUE

During the budget adoption briefing at the November 2017 RWC Board of Directors meeting, RWC staff provided the Board with costs associated with the new 10-year Motorola SUA II contract. Since then, it was discovered that Motorola had not calculated applicable taxes as part of the total cost proposal. Motorola recently provided staff with the estimated taxes for the 10-year contract which amounted to \$2,193,955.59.

Also, Motorola informed RWC staff that the City of Avondale cancelled purchase of their NICE logging recorders through Motorola. This modification will result in a \$180,813 credit to the total SUA II contract amount. Motorola is still identifying how it will credit RWC members for this change.

The addition of the taxes is reflected in the current RWC 5-year budget plan and is also depicted in the attached spreadsheet.

| Service Term         | SUA II                  | Multi-Year Discount     | Total before Taxes      | Taxes                  | TOTAL with Taxes        |
|----------------------|-------------------------|-------------------------|-------------------------|------------------------|-------------------------|
| 7/1/2018 - 6/30/2019 | \$ 2,956,449.00         | (\$413,902.86)          | \$ 2,542,546.14         | \$ 179,923.84          | \$ 2,722,469.98         |
| 7/1/2019 - 6/30/2020 | \$ 2,979,019.51         | (\$417,062.73)          | \$ 2,561,956.78         | \$ 190,311.89          | \$ 2,752,268.67         |
| 7/1/2020 - 6/30/2021 | \$ 3,002,266.59         | (\$420,317.32)          | \$ 2,581,949.27         | \$ 197,924.36          | \$ 2,779,873.63         |
| 7/1/2021 - 6/30/2022 | \$ 3,026,210.20         | (\$423,669.43)          | \$ 2,602,540.77         | \$ 205,841.34          | \$ 2,808,382.11         |
| 7/1/2022 - 6/30/2023 | \$ 3,050,873.91         | (\$427,122.35)          | \$ 2,623,751.56         | \$ 214,074.99          | \$ 2,837,826.55         |
| 7/1/2023 - 6/30/2024 | \$ 3,076,276.11         | (\$430,678.66)          | \$ 2,645,597.45         | \$ 222,637.99          | \$ 2,868,235.44         |
| 7/1/2024 - 6/30/2025 | \$ 3,102,440.98         | (\$434,341.74)          | \$ 2,668,099.24         | \$ 231,543.51          | \$ 2,899,642.75         |
| 7/1/2025 - 6/30/2026 | \$ 3,129,390.87         | (\$438,114.72)          | \$ 2,691,276.15         | \$ 240,805.25          | \$ 2,932,081.40         |
| 7/1/2026 - 6/30/2027 | \$ 3,157,149.54         | (\$442,000.94)          | \$ 2,715,148.60         | \$ 250,437.46          | \$ 2,965,586.06         |
| 7/1/2027 - 6/30/2028 | \$ 3,185,739.54         | (\$446,003.54)          | \$ 2,739,736.00         | \$ 260,454.96          | \$ 3,000,190.96         |
| <b>TOTAL</b>         | <b>\$ 30,665,816.25</b> | <b>(\$4,293,214.29)</b> | <b>\$ 26,372,601.96</b> | <b>\$ 2,193,955.59</b> | <b>\$ 28,566,557.55</b> |

This issue is for information, discussion, and possible action.





## BOARD OF DIRECTORS REPORT

|                 |  |                     |                   |
|-----------------|--|---------------------|-------------------|
| <b>TO:</b>      | Regional Wireless Cooperative (RWC) Board Members  | <b>Agenda Date:</b> | November 15, 2018 |
| <b>FROM:</b>    | Almira Santos, RWC Accountant III                  |                     | Item 9            |
| <b>SUBJECT:</b> | <b>RWC 2019/20 BUDGET OVERVIEW AND 5-YEAR PLAN</b> |                     |                   |

### BACKGROUND

The purpose of this report is to present the proposed 2019/20 RWC Budget and 5-Year Plan to the Board. The Executive Committee's input and recommendations have been incorporated into the budget proposal.

### THE ISSUE

The RWC Budget is made up of the following categories:

- Motorola Contracts
  - Service Agreement and System Upgrade Agreement (SUA II), Narrow Banding, Lifecycle Upgrades, and TDMA
- Phoenix Information Technology and Services (ITS)
  - Wireless Services, Microwave, Network Services, and Share Sites.
- RWC Staffing
  - The cost of five (5) staff positions
- Other budget items
  - Including maintenance cost for City of Scottsdale, site leases, auditing services, electricity, and telecommunications.

For planning purposes, a summary of the RWC's estimated 5-year budget is shown below.

| RWC ANNUAL BUDGET          | FY2019/20               | FY2020/21               | FY2021/22               | FY2022/23               | FY2023/24               |
|----------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
| Subscriber Rate            | \$ 31.72                | \$ 32.61                | \$ 33.34                | \$ 34.08                | \$ 34.84                |
| Estimated Subscriber Count | 19,132                  | 19,132                  | 19,132                  | 19,132                  | 19,132                  |
| O&M, Staffing              | \$ 7,281,944.00         | \$ 7,487,663.50         | \$ 7,653,478.11         | \$ 7,823,469.83         | \$ 7,998,284.69         |
| Required Minimum Balance   | \$ -                    | \$ -                    | \$ -                    | \$ -                    | \$ -                    |
| System Upgrade Agreement   | \$ 2,752,268.67         | \$ 2,779,873.63         | \$ 2,808,382.11         | \$ 2,837,826.55         | \$ 2,868,235.44         |
| TDMA Phases C-D            | \$ 3,201,941.11         | \$ 1,322,951.37         | \$ -                    | \$ -                    | \$ -                    |
| <b>Total Budget</b>        | <b>\$ 13,236,153.78</b> | <b>\$ 11,590,488.50</b> | <b>\$ 10,461,860.22</b> | <b>\$ 10,661,296.38</b> | <b>\$ 10,866,520.13</b> |

The 5-year plan budget allocation for each Member is presented below.

| Member                                     | Oct 2018<br>Radio Count | FY 2019/20<br>TOTAL  | FY 2020/21<br>TOTAL  | FY 2021/22<br>TOTAL | FY 2022/23<br>TOTAL | FY 2023/24<br>TOTAL |
|--|-------------------------|----------------------|----------------------|---------------------|---------------------|---------------------|
| Arizona Fire & Medical Authority           | 90                      | 61,700               | 54,351               | 35,908              | 36,708              | 36,768              |
| Avondale                                   | 409                     | 271,133              | 243,168              | 163,182             | 166,816             | 167,090             |
| Buckeye                                    | 346                     | 237,842              | 209,213              | 138,046             | 141,120             | 141,352             |
| Chandler                                   | 1,014                   | 709,977              | 618,476              | 404,563             | 413,572             | 414,252             |
| Daisy Mountain                             | 73                      | 42,101               | 40,802               | 29,125              | 29,774              | 29,823              |
| El Mirage                                  | 109                     | 75,952               | 66,332               | 43,489              | 44,457              | 44,530              |
| Glendale                                   | 1,211                   | 863,107              | 744,912              | 483,161             | 493,921             | 494,733             |
| Goodyear                                   | 295                     | 226,144              | 188,026              | 117,698             | 120,319             | 120,517             |
| Guadalupe                                  | 11                      | 7,559                | 6,650                | 4,389               | 4,486               | 4,494               |
| Maricopa                                   | 220                     | 147,801              | 131,609              | 87,775              | 89,730              | 89,877              |
| Maricopa County Community College District | 225                     | 160,204              | 138,337              | 89,770              | 91,769              | 91,920              |
| Paradise Valley                            | 84                      | 58,902               | 51,271               | 33,514              | 34,260              | 34,317              |
| Peoria                                     | 945                     | 648,829              | 571,087              | 377,033             | 385,430             | 386,064             |
| Phoenix                                    | 10,530                  | 7,235,264            | 6,365,797            | 4,201,229           | 4,294,790           | 4,301,852           |
| Scottsdale                                 | 1,517                   | 1,074,771            | 930,483              | 605,248             | 618,727             | 619,744             |
| Sun City Fire                              | 64                      | 42,169               | 37,944               | 25,535              | 26,103              | 26,146              |
| Surprise                                   | 514                     | 343,739              | 306,835              | 205,074             | 209,641             | 209,986             |
| Tempe                                      | 1,204                   | 902,438              | 758,918              | 480,368             | 491,066             | 491,874             |
| Tolleson Fire & PD                         | 122                     | 69,811               | 67,962               | 48,675              | 49,759              | 49,841              |
| <b>Members Subtotal</b>                    | <b>18,983</b>           | <b>13,179,442.01</b> | <b>11,532,174.58</b> | <b>7,573,782.51</b> | <b>7,742,450.34</b> | <b>7,755,181.05</b> |
| <b>Associates</b>                          |                         |                      |                      |                     |                     |                     |
| Rural Metro                                | 123                     | 46,816               | 48,138               | 49,204              | 50,297              | 51,421              |
| Maricopa Ambulance                         | 26                      | 9,896                | 10,176               | 10,401              | 10,632              | 10,870              |
| <b>Associates Subtotal</b>                 | <b>149</b>              | <b>56,711.77</b>     | <b>58,313.92</b>     | <b>59,605.28</b>    | <b>60,929.18</b>    | <b>62,290.63</b>    |
| <b>TOTAL</b>                               | <b>19,132</b>           | <b>13,236,153.78</b> | <b>11,590,488.50</b> | <b>7,633,387.79</b> | <b>7,803,379.51</b> | <b>7,817,471.69</b> |

**RECOMMENDATION**

The RWC Executive Committee recommends Board approval of the proposed 2019/2020 Budget.

This issue is for information, discussion, and possible action.



## BOARD OF DIRECTORS REPORT

|          |  |              |                   |
|----------|--|--------------|-------------------|
| TO:      | Regional Wireless Cooperative (RWC) Board Members  | Agenda Date: | November 15, 2018 |
| FROM:    | David Felix, RWC Executive Director  |              | Item 10           |
| SUBJECT: | <b>RESOLUTION FOR THE RWC BOARD OF DIRECTORS TO ADOPT RESPONSIBILITY FOR THE FIRE CONVENTIONAL (VHF) RADIO NETWORK</b> |              |                   |

### BACKGROUND

The Phoenix Fire Conventional (VHF) Radio System is a shared resource used by all valley fire partners. It is a vital and life safety service used for hazard zone communications. The Phoenix Fire Conventional Radio System is a completely independent network from the existing RWC 700 MHz trunked system.

For several years, the Phoenix Fire Department has considered merging the Phoenix Fire Conventional Radio System under RWC management. It is envisioned that the RWC Board of Directors would provide management oversight, capital replacement, expansion planning, and budgeting the same way the Board currently manages the 700 MHz trunked system.

At the February 22, 2018 RWC Board of Directors meeting, the Phoenix Fire Department requested the Board establish a VHF Working Group to study the feasibility and requirements for bringing the Phoenix Fire Conventional Radio System under RWC management. This request was approved by the Board and a “VHF Working Group” was formed to conduct the assessment.

### ISSUE

The VHF Working Group has completed a full review of several key areas including the current state of the Fire Conventional Radio System, technical requirements for transition, development of a 5-year technical plan, 5-year budgetary plan and long-term capital replacement plan. Furthermore, the VHF Working Group evaluated the impact on governance, policy and procedure. Also, a preliminary implementation plan has been established as a guide to transition the Fire Conventional Radio System under full RWC management during 2019.

Phoenix Fire Deputy Chief Jeff Schripsema and RWC Executive Director David Felix will brief the Board on the VHF Working Group’s most recent findings and resolution which will formally establish the Fire Conventional Radio System under RWC Board Management.

RECOMMENDATION

The RWC Executive Committee recommends the RWC Board of Directors adopt the Fire Conventional (VHF) Transition Resolution and request the City of Phoenix, as the Administrative Managing Member and the Phoenix City Council, to formally approve the Resolution on behalf of the Regional Wireless Cooperative.

This agenda item is for information, discussion, and possible action.

**RESOLUTION AUTHORIZING THE REGIONAL WIRELESS COOPERATIVE (RWC) BOARD OF DIRECTORS TO  
MANAGE THE PHOENIX REGIONAL CONVENTIONAL (VHF) RADIO NETWORK**

**Whereas**, the Regional Wireless Cooperative (RWC) was established in 2008 to plan, design, construct, operate, maintain and finance a reliable and highly effective shared public safety network for the benefit of all its Members;

**Whereas**, the RWC Network is designed to enhance regional operability and interoperability;

**Whereas**, the RWC Board of Directors is committed to achieving these basic goals through cost effective infrastructure sharing and economies of scale;

**Whereas**, the Phoenix regional fire partners require an effective and reliable “direct mode” conventional communications network for hazard zone operations;

**Whereas**, the Phoenix regional fire partners recognize the need for management oversight to plan, design, construct, operate, maintain and develop a sustainable financial structure for this network;

**Whereas**, in February of 2018, the City of Phoenix Fire Department, on behalf of its regional fire partners, requested the RWC Board of Directors accept management responsibility for the “Fire Conventional (VHF) Network”;

**Whereas**, a “Fire VHF Working Group” was established to study the feasibility of such a transition of authority and management;

**Whereas**, on November 15, 2018, the Fire VHF Working Group presented a sustainable technical, budgetary, capital improvement and implementation plan to the RWC Board of Directors;

**NOW THEREFORE, BE IT RESOLVED** that the Regional Wireless Cooperative Board of Directors accepts management and budgetary responsibility for the Fire Conventional (VHF) Network on behalf of the Phoenix metropolitan regional fire partners. Furthermore, the RWC Board of Directors requests the City of Phoenix as the RWC Managing Member adopt this Resolution on behalf of the RWC Membership.

**BE IT SO RESOLVED**, this 15<sup>th</sup> day of November 2018.

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Danny Johnson, RWC Chairman  
On behalf of the RWC Board of Directors



**BOARD OF DIRECTORS REPORT**

|          |   |              |                   |
|----------|---|--------------|-------------------|
| TO:      | Regional Wireless Cooperative (RWC) Board Members                                     | Agenda Date: | November 15, 2018 |
| FROM:    | David Felix, RWC Executive Director   |              | Item 11           |
| SUBJECT: | <b>APPROVAL OF THE FIRE CONVENTIONAL SYSTEM 5-YEAR BUDGET AND IMPLEMENTATION PLAN</b> |              |                   |

**BACKGROUND**

The Phoenix Fire Conventional (VHF) Radio System is a shared resource used by all valley fire partners. It is a vital and life safety service used for hazard zone communications. The Fire Conventional Radio System is completely independent from the existing RWC 700 MHz trunked system.

For several years, the Phoenix Fire Department has considered merging the Phoenix Fire Conventional Radio System under RWC management. It is envisioned that the RWC Board of Directors would provide management oversight, expansion planning, and budgeting in the same way the Board currently manages the RWC 700 trunked system.

At the February 22, 2018 RWC Board of Directors meeting, the Phoenix Fire Department requested that the RWC Board authorize the formation of a VHF Working Group to study the feasibility and requirements for bringing the Phoenix Fire VHF System under the management of the RWC. This request was approved and a VHF Working Group was formed to conduct the study.

**ISSUE**

The VHF Working Group has conducted a review of several key areas, including the current state of the Fire Conventional Radio System, technical requirements for transition, 5-year budgetary plan and long-term capital replacement plan.

Phoenix Fire Department Deputy Chief Jeff Schripsema and RWC Executive Director David Felix will brief the Board on the VHF Working Group’s most recent findings, including costs, implementation plan and recommendations.

**RECOMMENDATION**

The RWC Executive Committee recommends the Board of Directors adopt the Fire Conventional (VHF) 5-year Budget and Implementation Plan.

This agenda item is for information, discussion, and possible action.

## RWC - Conventional Network FY19/20 Budget Detail

| Member                                  | Radio Count as of Oct 2018 | Staffing / O&M    | Special Assessments | Minimum Balance  | Total Budget      |
|---|----------------------------|-------------------|---------------------|------------------|-------------------|
| AFMA                                    | 90                         | \$ 10,687         | \$ -                | \$ 1,336         | \$ 12,023         |
| Avondale                                | 86                         | 10,212            | -                   | 1,276            | 11,488            |
| Buckeye                                 | 95                         | 11,280            | -                   | 1,410            | 12,691            |
| Chandler                                | 163                        | 19,355            | -                   | 2,419            | 21,774            |
| Daisy Mountain                          | 73                         | 8,668             | -                   | 1,084            | 9,752             |
| El Mirage                               | 24                         | 2,850             | -                   | 356              | 3,206             |
| Glendale                                | 231                        | 27,429            | -                   | 3,429            | 30,858            |
| Goodyear                                | 104                        | 12,349            | -                   | 1,544            | 13,893            |
| Guadalupe                               | 11                         | 1,306             | -                   | 163              | 1,469             |
| Maricopa                                | 51                         | 6,056             | -                   | 757              | 6,813             |
| Peoria                                  | 160                        | 18,999            | -                   | 2,375            | 21,373            |
| Phoenix                                 | 2,090                      | 248,170           | -                   | 31,021           | 279,191           |
| Scottsdale                              | 225                        | 26,717            | -                   | 3,340            | 30,056            |
| Sun City Fire                           | 64                         | 7,599             | -                   | 950              | 8,549             |
| Surprise                                | 118                        | 14,012            | -                   | 1,751            | 15,763            |
| Tempe                                   | 231                        | 27,429            | -                   | 3,429            | 30,858            |
| Tolleson                                | 33                         | 3,918             | -                   | 490              | 4,408             |
| <i>Members Subtotal</i>                 | <b>3,849</b>               | <b>\$ 457,036</b> | <b>\$ -</b>         | <b>\$ 57,129</b> | <b>\$ 514,166</b> |
| BUCKEYE VALLEY                          | 41                         | \$ 4,868          | \$ -                | \$ 609           | \$ 5,477          |
| HARQUAHALA                              | 33                         | 3,918             | -                   | 490              | 4,408             |
| TONOPAH                                 | 18                         | 2,137             | -                   | 267              | 2,405             |
| <i>Conditional Participant Subtotal</i> | <b>92</b>                  | <b>\$ 10,924</b>  | <b>\$ -</b>         | <b>\$ 1,366</b>  | <b>\$ 12,290</b>  |
| <b>TOTAL</b>                            | <b>3,941</b>               | <b>\$ 467,961</b> | <b>\$ -</b>         | <b>\$ 58,495</b> | <b>\$ 526,455</b> |

| RWC-Conventional Network ANNUAL BUDGET | FY 2019/20           | FY 2020/21             | FY 2021/22           | FY 2022/23           | FY 2023/24           |
|--|----------------------|------------------------|----------------------|----------------------|----------------------|
| Subscriber Rate                        | \$ 9.90              | \$ 9.90                | \$ 9.90              | \$ 9.90              | \$ 9.90              |
| Estimated Subscriber Count             | 3,941                | 3,941                  | 3,941                | 3,941                | 3,941                |
| O & M and Staffing                     | \$ 467,960.56        | \$ 467,960.56          | \$ 467,960.56        | \$ 467,960.56        | \$ 467,960.56        |
| Special Assessment                     | \$ -                 | \$ 584,513.00          | \$ 351,180.00        | \$ 351,180.00        | \$ 351,180.00        |
| Required Minimum Balance               | \$ 58,494.82         | -                      | -                    | -                    | -                    |
| <b>Total Budget</b>                    | <b>\$ 526,455.38</b> | <b>\$ 1,052,473.56</b> | <b>\$ 819,140.56</b> | <b>\$ 819,140.56</b> | <b>\$ 819,140.56</b> |



## **Fire Conventional (VHF) Radio Network Transition Implementation Plan**

The following activities are planned or already in progress in anticipation of the Fire Conventional (VHF) Radio Network transition to management by the Regional Wireless Cooperative in 2019.

- Develop accounting structures & billings
  - Operations & maintenance (O & M)
  - Required Minimum Balance (RMB)
  - Special Assessments beginning FY 2020-2021

- Develop IGA's and Conditional Participant agreements

The following are non-RWC Members who are current partners on the Fire Conventional (VHF) Radio Network.

- Tonopah
  - Harquahala
  - Buckeye Valley Fire Districts
- 
- Establish Fire "Conventional Working Group (CWG)"

A working group will be created to provide technical review and operational oversight for the Fire Conventional (VHF) Radio Network. This group will operate in a similar manner to the Operations Working Group. Recommendations from this group will be reviewed by the Executive Committee, with final determinations made by the RWC Board.
- 
- Evaluate need and recommendations for:
    - VHF coverage study
    - Infrastructure equipment replacement
    - Capital replacement plan





## BOARD OF DIRECTORS REPORT

|          |   |              |                   |
|----------|---|--------------|-------------------|
| TO:      | Regional Wireless Cooperative (RWC) Board Members | Agenda Date: | November 15, 2018 |
| FROM:    | David Felix, RWC Executive Director               |              | Item 12           |
| SUBJECT: | <b>EXECUTIVE DIRECTOR'S REPORT</b>                |              |                   |

### BACKGROUND

The Executive Director will brief the Board of Directors on the following items:

- 2018 RWC Annual Report
- New RWC Governance Document Approval Timeline
- 2019 RWC Calendar

### RECOMMENDATION

This agenda item is for information and discussion.