



Regional Wireless Cooperative

Board of Directors

Agenda

December 16, 2010

	ITEM	PRESENTER
1)	Call to Order and Roll Call	Chair Meyer – Tempe
2)	Approval of Meeting Minutes from October 28, 2010 This item is for information, discussion and action.	Chair Meyer – Tempe Est. 2 min.
3)	Staff Recognition The purpose of this item is to recognize staff. This item is for information and action.	Mr. David Felix – RWC Executive Director Est. 5 min.
4)	Equity Ownership The purpose of this item is to provide an overview of the status of the equity ownership for RWC members. This item is for information and discussion.	Mr. Tahir Alhassan – RWC / Mr. Sean Kindell – Phoenix Finance Department Est. 10 min.
5)	2011/2012 Budget Overview The purpose of this item is to provide an overview and request approval of the 2011/2012 RWC budget. This item is for information, discussion and action.	Mr. Tahir Alhassan – RWC Est. 15 min.
6)	Scottsdale’s Request to become an RWC Maintenance Managing Member The purpose of this item is to approve the Executive Committee’s recommendation that Scottsdale becomes a Maintenance Managing Member of the RWC. This item is for information, discussion and action.	Mr. Shannon Tolle – Scottsdale Est. 10 min.
7)	Associate Membership Requests The purpose of this item is to request provisional approval for Associate Membership for Southwest Ambulance and Professional Medical Transport (PMT). This item is for information, discussion and action.	Mr. David Felix – RWC Executive Director Est. 10 min.
8)	Approval of Policies The purpose of this item is to request approval of two policies: Frequency Management and Compliance Documentation. This item is for information, discussion and action.	Mr. David Felix – RWC Executive Director Est. 10 min.
9)	Project Updates The purpose of this item is to provide an update on RWC projects. This item is for information only.	Mr. David Felix – RWC Executive Director Est. 10 min.

<p>10)</p>	<p>2011 Board Meeting Schedule The purpose of this item is to discuss the 2011 Board meeting schedule and to approve the Executive Committee’s recommendation for a bi-monthly schedule. This item is for information, discussion and action.</p>	<p>Mr. David Felix – RWC Executive Director Est. 3 min.</p>
<p>11)</p>	<p>Call to the Public This item is for information only.</p>	<p>Chair Meyer – Tempe Est. 1-5 min.</p>
<p>12)</p>	<p>Next Meeting: January 27, 2011; 10:00 – 11:30 a.m. This item is for information only.</p>	<p>Chair Meyer – Tempe</p>
<p>13)</p>	<p>Adjourn</p>	<p>Chair Meyer - Tempe</p>



**Board of Directors
MINUTES
December 16, 2010**

Phoenix City Council Chambers
200 West Jefferson Street
Phoenix, Arizona 85003

Board Members Present

Wade Brannon**	Jim Haner	John Poorte*
Bob Costello	Brad Hartig	Rob Sweeney*
Chad Dragos	Alfred Medina	Susan Thorpe
David Fitzhugh	Charlie Meyer	Marc Walker
Mike Frazier	Chris Nadeau*	Paul Wilson

Board Members Absent

Mark Brown
Jim Heger
Patrick Melvin
Mark Schott
Ed Zuercher

*Board Alternate **Board Alternate (non-voting)

Staff Present

Tahir Alhassan	David Felix	Sean Kindell	Bill Phillips
Dave Clarke	Celicia Fiedler	Rick Kolker	Mike Rall
Jesse Cooper	John Gardner	Steve Kreis	
Theresa Faull	Jennifer Hagen	Doug Mummert	

Public Present

Karen Allen	Joe Gibson	Donna Marcum	Vicky Scott
Brenda Buren	Mark Gorla	Brian Moore	Dale Shaw
Jim Case	John Imig	Cy Otsuka	Shannon Tolle
Dave Collett	Lonnie Inskeep	Larry Rooney	Tim Ulery
Bill Fleming	Mark Mann	John Rowan	

1. Call to Order

Chair Meyer called the meeting to order at 10:00 a.m. and announced the following alternate representatives:

- Board Alternate Mr. Nadeau for Mr. Brown – City of Goodyear
- Board Alternate Mr. Brannon for Mr. Melvin – City of Maricopa
- Board Alternate Mr. Sweeney for Mr. Zuercher – City of Phoenix
- Board Alternate Mr. Poorte for Mr. Mark Schott – City of Surprise

2. Approval of the Meeting Minutes from October 28, 2010

Chair Meyer stated that a motion was not needed to approve the minutes. He asked if the Board had any corrections, additions or changes to the minutes; there were none, and the minutes were approved as submitted.

3. Staff Recognition

Chair Meyer presented an award to Ms. Celicia Fiedler of Phoenix's Information Technology Services (ITS) Department, recognizing her administrative assistance to the RWC, prior to the hiring of a permanent RWC staff. He noted that her work in support of the RWC was in addition to her regular assignments in ITS. On behalf of the RWC Board of Directors, Chair Meyer thanked Ms. Fiedler for a terrific job. Mr. Felix concurred with Chair Meyer's commendations and added that Mr. Bill Phillips and the rest of the Phoenix ITS staff have been tremendous in helping transition responsibilities to the RWC staff.

The "inaugural" award was presented and Ms. Fiedler thanked the Board.

4. Equity Ownership

Mr. Alhassan extended his appreciation to Mr. Kindell from Phoenix's Finance Department for his contributions to the work on the equity calculations. Mr. Alhassan reviewed the RWC projects used for calculating the equity, and explained that as projects are completed they will be added to the equity. He also presented each Member's contribution by project.

In response to a question by Mr. Wilson, Mr. Alhassan responded that Sun Lakes Fire District, which contributed through the City of Phoenix, did not have a contribution amount listed because the dollar figure was not received in time for the presentation. He noted that the same was true for the City of El Mirage, which contributed through another Member. He added that once the figures are received, the information will be updated. Chair Meyer requested that the updated figures be distributed to the Board for informational purposes.

In response to a question by Vice-Chair Thorpe, Mr. Kindell responded that a Member's equity contribution was based on a Member's cash payments to run capital projects that the City of Phoenix managed (construction costs etc.) starting from year one and that the City of Phoenix turned over to the RWC. He stated that if a Member managed and contributed to a project on its own and then turned it over to the RWC, it would be calculated as an asset and included on the RWC financial statements; however any projects that Members have not turned over to the RWC would not be reflected on the RWC financial statements.

In response to a question by Vice-Chair Thorpe regarding Scottsdale's funding of an upgrade, Mr. Kindell replied that when the RWC makes the payment to

Scottsdale, it will show up as an increase in asset value. The capital portion of the bill will be added to each Member's equity percentage calculation.

In response to questions by Chair Meyer, Mr. Kindell responded that each Member's equity percentage would be reported on the Member's financial statements. Mr. Kindell explained that equity percentage was based on a Member's total contributions, and he confirmed that if the RWC was liquidated, the value of assets would be distributed to the Members based on their equity contributions.

Mr. Alhassan explained that to determine a Member's equity percentage, a Member's contribution was factored against the total contributions to the RWC. He stated that each Member's percentage was then applied against the RWC's total net assets of 96.8 million dollars to obtain a Member's equity dollar figure.

In response to a question by Chair Meyer, Mr. Alhassan responded that the original value of an asset is depreciated. Mr. Kindell explained that an asset's value is based on the value at the time of contribution; however over time the value is adjusted by a price index and depreciated. He further explained that hard assets are valued at the time of transfer; for example, a hard asset that is 15 years old will be transferred at its depreciated value and not the original value of the asset. He added that the equity of the RWC is lower than actual contributions due to assets depreciating.

No action was taken on this item, as it was for information and discussion.

5. 2011/2012 Budget Overview

Mr. Alhassan began the presentation by reviewing the budget categories and their respective percentage of the budget.

In response to a question by Chair Meyer regarding how Phoenix's Information Technology and Services Department (ITS) determines its charges for time on projects, Mr. Sweeney replied that ITS supports the majority of the technology centrally for all Phoenix operations; therefore services are tracked through Phoenix's SAP financial system using work orders that define the work being performed. He explained that for shared services such as microwave, ITS looks at the trunk lines coming into the system and which department/entity is using it and then proportionate costs based on an end-user's connections into the system.

Mr. Alhassan presented two budget scenarios: with and without Glendale represented as a Member due to Glendale's membership date being undetermined. Mr. Felix expressed that because Glendale would be a significant contributor to the system, if Glendale was not able to obtain city council approval to join the RWC, then the cost to each Member would be at the higher budget scenario.

In response to a question by Chair Meyer, Mr. Felix confirmed that action taken by the Board this day would be for approval of the budget with Glendale as a Member and the radio rate would be set in April 2011. Chair Meyer stated that if Members wanted to prepare for worst case scenario they could prepare without Glendale as a Member.

Mr. Alhassan reviewed the Five Year Budget projection and explained that the projections assume Glendale would be an RWC Member.

In response to a question from Chair Meyer, Mr. Alhassan responded that the purpose of the Required Minimum Balance was to provide cash flow for operations. He explained that when new Members join the network, they are required to contribute towards the Required Minimum Balance, as will be the case with Scottsdale and Chandler this fiscal year.

Mr. Felix conveyed that a prior discussion had taken place regarding the value of artificially flatten the budget to depict a steady increase over several years rather than having the budget fluctuate; however, it was determined that to do so would be administratively burdensome.

Chair Meyer expressed that with municipal budgets, the Board should be cognizant of items like this which become off-line items that cities do not necessarily have control of. He explained that they become discretionary; therefore the Board has an obligation to not just assume growth and presume higher costs, but rather look at ways to keep costs to a minimum.

In response to a question by Mr. Wilson regarding why some Members who have already transitioned to the RWC do not reflect an Operations & Maintenance (O&M) charge, Mr. Alhassan responded that those agencies have agreements with the City of Phoenix Fire Department for the use of Phoenix radios; and therefore the O&M costs are being paid for by Phoenix.

Mr. Felix clarified that the radio use was essentially a lease program with the City of Phoenix and once an agency purchases the radios, then the agency would be assessed an O&M charge.

In response to a discussion by Chair Meyer, Vice-Chair Thorpe, and Mr. Sweeny regarding how the budget would be impacted by additional agencies adding radios to the network and clarification of which Glendale costs were reflected in the budget total, Mr. Alhassan confirmed that Glendale's software subscription costs have been included, but ITS costs have not.

Chair Meyer noted that slides 6 and 7 which depicted the total budget with and without Glendale should reflect a slightly different number due to subscription costs included in the slide with Glendale's figures; therefore the assumption

should be made that if Glendale does not become a Member, the overall budget number would be reduced slightly.

In response to a questions by Mr. Hartig regarding Special Assessment for Staffing, Mr. Alhassan explained that the increase was approximately 2.5% for salary increases, plus office supplies and other items. Mr. Alhassan confirmed that in the event that the City of Phoenix froze salaries that would affect the projected increases. Chair Meyer expressed that if the overall staffing increase was 5% that meant office supplies were also increasing at 2.5% which was significantly high.

In response to a question by Mr. Frazier, Mr. Alhassan confirmed that Glendale would be responsible for the majority of ITS costs to join the RWC.

Mr. Costello requested that Board action be taken at the end of the meeting to allow the Board to first examine the impact Associate Membership (Item 7) would have on the budget.

Item put on hold at 10:54 a.m.
Item reintroduced at 11:32 a.m.

Mr. Phillips explained that slides 6 and 7 of the budget presentation depicted no difference in the budget with Glendale not becoming a Member; however slide 7 was not accurate, as there would be a slight reduction in the budget if Glendale does not join. He added that subscription estimates were a factor that was not clearly conveyed to Mr. Alhassan. Mr. Felix clarified that the request for Board approval of the budget would include those costs, although actually would be less if Glendale does not join the RWC.

A **MOTION** was made by Mr. Wilson and **SECONDED** by Mr. Walker to approve the proposed 2011/2012 Budget. **MOTION CARRIED UNANIMOUSLY.**

6. Scottsdale's Request to become an RWC Maintenance Managing Member

Mr. Tolle presented Scottsdale's request to become a Maintenance Managing Member to manage its portion of the RWC network. He explained that Scottsdale was finishing a new zone that should go into effect in April 2011. He added that the zone would serve the Northeast Valley and could eventually include Paradise Valley should it become a Member. He stated that Scottsdale has three full-time radio staff and was recruiting a fourth position to support the microwave network, Scottsdale's portion of the Phoenix Fire VHF system, Police dispatch equipment, and subscriber radios. He explained that Scottsdale has a radio shop located at Scottsdale and Thunderbird Roads which would be available for use by other RWC Members. He further added that Scottsdale's jurisdiction covers approximately 184 square miles; therefore, there would be an advantage in response time for dispatching staff already located in Scottsdale.

In response to a question by Mr. Wilson, Mr. Felix responded that regardless of who does the hiring, Phoenix or Scottsdale, additional staff and associated costs were required to maintain the system.

Mr. Hartig clarified that the Five Year Budget Plan that was presented indicated that five (5) staff positions needed to be hired regardless of who hires them: two (2) to support Scottsdale's infrastructure, microwave and radio, and three (3) to support the RWC overall. He added that Scottsdale used the Phoenix ITS/RWC costing model to determine staffing levels. Mr. Tolle added that there were also costs saving because Scottsdale already has city vehicles, test equipment and computers, and would be providing spares for that portion of the zone.

In response to a question by Chair Meyer, Mr. Sweeney expressed that Phoenix wants to ensure that there are no staffing redundancy; therefore, working through the Executive Committee, as entities request to become Maintenance Managing Members each request needs to be examined to determine if the location of the entity is already being serviced by Phoenix, or would there be an offset benefit of not needing to roam to an area not covered today. He added that, operationally, where an entity may have equipment on the same site, such as Thompson Peak, procedures need to be followed so that multiple technicians are not dispatched to the same location.

In response to a question by Chair Meyer, Mr. Sweeney responded that the goal would be to follow the model used by Phoenix Fire and its automatic aide partners in which the closest unit is dispatched; therefore if a need existed, Scottsdale could be called upon to assist with a maintenance issue in another area. Mr. Felix added that Scottsdale's staff received standardized training and therefore would be capable of responding, if called upon.

Mr. Costello suggested that the RWC obtain standardized cost models, so that when entities perform like or same services, the cost to the RWC should be comparable or the same. Chair Meyer concurred with Mr. Costello's recommendation and added that this be an area the Executive Committee examines.

A **MOTION** was made by Vice-Chair Thorpe and **SECONDED** by Mr. Frazier to approve Scottsdale's request to become a Maintenance Managing Member.
MOTION CARRIED UNANIMOUSLY.

7. **Associate Membership Requests**

Mr. Felix explained that the Intergovernmental Agreement outlines a category structure for Associate Members. He stated that written requests for Associate membership were received by Southwest Ambulance and Professional Medical Transport (PMT). Mr. Felix expressed that the Executive Committee recognized the need for the creation of policies and procedures to address procedural and funding issues; however, an immediate need existed for Associate membership

to be granted, as both agencies were currently operating in support of Members. He added that the Operations and Policy Working Groups were working on the development of the procedures and Associate Members would be required to sign a letter agreement acknowledging specific requirements.

In response to a question by Chair Meyers, Mr. Phillips responded that from a cost standpoint nothing changes with granting the agencies Associate membership. He explained that the Associate Members would be bringing radios onto the RWC system. He added that the Associate Members would be responsible for purchasing and programming the radios; therefore, the RWC recovers revenue from the Associate Members.

In response to questions by Chair Meyers and Vice-Chair Thorpe, Mr. Phillips explained that the request was similar to Mesa PD's request; however Associate Members are conducting operations in support of an RWC Member in which they are contracted. He stated that he estimated the radio count would be less than 100, although explained that the count would not be a concern, as it would be traffic that would need to be supported by either the Member or a contracted party.

In response to a comment by Vice-Chair Thorpe regarding agencies adding radios to the RWC system, Mr. Phillips replied that as agencies want to join the RWC as operational users, an examination needs to occur of what kind of membership category this may be. He confirmed that it would be a different membership category, which has not yet been identified.

In response to a question by Chair Meyer, Mr. Phillips responded that if an Associate Member had a contract with Gilbert, it would be handled with Gilbert and the TRWC, and that traffic would not come through the RWC network.

In response to a question by Chair Meyer, Mr. Phillips explained that subscriber rates could be charged to the Member contracted with the Associate Member or the Associate Member could be billed directly. He stated that billing could occur either way but radio counts would need to be separated. He further explained that direct billing to Associate Members may require cities with current contracts to amend any billing sections so that the contracts would be for service.

Mr. Sweeney expressed the need for a legal opinion so that direct billing to an Associate Member does not adversely affect the tax exempt status of Members. He conveyed the need to make sure an agreement dictates that use must be in support of municipal agencies. Chair Meyer concurred with the need for a legal opinion.

In response to a question by Vice-Chair Thorpe regarding Associate Member status for radio companies contracted with Members, Mr. Phillips responded that the topic had not yet come up, but if the companies do their own maintenance then perhaps Associate Membership may be something to consider.

In response to a question by Mr. Haner, Mr. Phillips confirmed that the radios (being discussed for Southwest Ambulance and PMT) were already being used today and would not add any traffic to the system.

A **MOTION** was made by Mr. Haner and **SECONDED** by Mr. Sweeney to provisionally approve Southwest Ambulance and PMT as Associate Members until the establishment of signed agreements. **MOTION CARRIED UNANIMOUSLY.**

8. **Approval of Policies**

Mr. Felix presented an overview of the Frequency Management and Compliance Documentation policies. He explained that the Frequency Management policy allows for the Administrative Managing Member to manage frequency licensing for Members; however ownership of frequencies remains with the individual Members. Mr. Felix explained that the Compliance Document policy established guidelines for retaining documentation related to RWC policy compliance and operation, and identifies the responsible party for each category of documentation.

A **MOTION** was made by Mr. Frazier and **SECONDED** by Mr. Hartig to approve the Frequency Management and Compliance Documentation policies. **MOTION CARRIED UNANIMOUSLY.**

9. **Project Updates**

Mr. Felix presented an update on current RWC projects: COPS Grant - Capacity Increase, PSIC Grant - High Sites, Buckeye/Goodyear, Chandler, Phoenix In-Fill, Scottsdale, Transit, and 800 MHz rebanding. He also provided a status of the following pending areas: Glendale/Avondale, Paradise Valley, and Maricopa County.

10. **2011 Board Meeting Schedule**

Mr. Felix presented the Executive Committee's recommendation to move to a bi-monthly Board meeting schedule beginning with the month of January 2011. He explained that a bi-monthly schedule would allow for full meeting agendas and reduce the need to cancel meetings due to a lack of agenda items. He further explained that if an item arose that required immediate action, the Executive Committee could take interim action until the next Board meeting, or a special Board meeting or teleconference could be called, if necessary.

A **MOTION** was made by Vice-Chair Thorpe and **SECONDED** by Mr. Hartig to approve the bi-monthly Board meeting schedule. **MOTION CARRIED UNANIMOUSLY.**

11. Call to the Public

None.

12. Next Meeting: January 27, 2010; 10:00 – 11:30 a.m.

Chair Meyer announced the date of the next meeting.

Vice-Chair Thorpe requested the following agenda items for the next Board meeting: (1) an update on the TRWC and its plans to handle coverage issues in the West Valley, and (2) the traffic on the RWC network from the operational-use radios by the TRWC.

13. Adjournment

Chair Meyer adjourned the meeting at 11:43 a.m.