

SALT LAKE VALLEY EMERGENCY COMMUNICATIONS CENTER

JOINT BOARD OF TRUSTEES/OPERATIONS MEETING

April 20, 2016 Meeting Minutes

VECC Board Room

5360 S Ridge Village Dr, West Valley City

MEMBERS PRESENT:

Mr. Gary Whatcott, South Jordan; Vice Chairman
Mr. Randy Fitts; Holladay
Mr. David Dobbins; Draper
Chief Doug Diamond; West Jordan
Mr. Blair Camp; Murray
Mr. Mike Shelton; Cottonwood Heights
Mr. Kyle Kershaw; South Salt Lake
Mr. Ryan Carter; Riverton
Mr. Layne Morris; West Valley City
Mr. John Guildner; Alta
Mr. Kane Loader; Midvale
Mr. Mark Palesh; West Jordan
Mr. Carlton Christensen; SLCO
Mr. Mark Reid; Bluffdale

MEMBERS ABSENT:

Sheriff Jim Winder; UPD; Chairman
Mr. Scott Harrington; Taylorsville
Mr. Gaylord Scott; UFA
Mr. Brett Wood; Herriman

OTHERS PRESENT:

Mr. Clint Peterson; West Jordan
Chief Ron Morris; SSL
Chief Gil Rodriguez; Murray
Chief John Evans; West Valley City
Chief Craig Burnett; Murray
Mr. Paul Brenneman; Cottonwood Heights
Lt. Randy Thomas; UPD
Lt. Matt Pennington; South Jordan
Mr. Dave Shopay; West Valley City
Chief Phillips Quinlan; West Valley City
Mr. John Inch Morgan, Executive Director
Mr. Jeff Monson; Human Resources Manager
Mr. Mark Whetsel; TS Manager
Ms. Gigi Smith; Police Operations Manager
Ms. Beth Todd; Fire Operations Manager
Mr. Terry Shaw; VECC Supervisor
Ms. Andrea Partridge; Administrative Manager

APPROVAL OF MINUTES OF MARCH 16, 2016 BOARD OF TRUSTEES MEETING

Motion –

. . . by Mr. Kyle Kershaw; that the minutes of the March 16, 2016 meeting of the Board of Trustees be approved as written; the motion was seconded by Mr. Randy Fitts the motion carried unanimously.

EXECUTIVE DIRECTOR'S REPORT

Public Safety Software Update

John Inch Morgan wanted to discuss a 10-200 policy which is a Police policy for containment within the County. Lt. Thomas has put this together and will discuss it further. Lt. Thomas mentioned that they wanted to come

out through the Police Users group with a video to be put out, which is multi-agency approach to contain the valley. It's about 2:30 minutes long and can be brought out to any agency for basic information on the program. They can then take the "alpha" points and drill it in to the agencies, along with protocol, so that if they ever have to contain the valley, there is a good approach. Gigi Smith took this idea from Utah County and it does credit them. They would like complete approval and then they will roll it out to the patrolmen, followed by some drills valley-wide. John wanted to thank everyone who has been working on this. His observation is that there has been really great cooperation between everyone. John played the video for the Board members. Lt. Thomas mentioned that Utah County set this up, which is where the idea came from. It's his understanding that Tooele County has a similar program as well. It is also similar to an Amber Alert. There are a few alpha points that are weather dependent, such as Butterfield Canyon. It doesn't require any additional equipment other than one car at each alpha point.

CAD PROJECT UPDATE

John indicated that we are about 9 months further down the road that he would have liked to have been. He explained the complexity on where we've been with negotiations and other things going on. An agenda was put together which is in a shared Dropbox that everyone has been invited to. The contract document package has finally been completed; compiled of thousands of pages. They are finalizing the configuration. On April 5th, they were looking at what kind of hardware is really needed and how it will be configured. They discussed at the last meeting having Hexagon provide the equipment, which they would do at a premium of 18%. Now, the committee needs to sit down and discuss whether this is a cost we are willing to bear, or if there is sufficient personnel to purchase the equipment, set it up and load the software. On the 29th, they had the Development of the internal project management approach, where John will propose to have the committee come together and review all the documents. John proposes this happen on the 29th before the end of the month. One thing that has delayed us a bit is the series of Interlocal agreements that we've had with Salt Lake City. VECC has approved our portion of the Interlocal and they have too, but at times, their City Council has not been really involved in the process. We have taken a step back and are bringing them in, especially with the new administration. John is told that everything is good. Mr. Carlton Christensen has been recruited to assist in getting this through the system. John is putting together a third Interlocal, or Amendment #2 to bring back to the Trustee Board and the SLC Council. In looking at a purchase at something that is valley-wide, it could be a series of individual purchases, or a single purchase. There would also be a side-license as well as individual user licenses. The third Interlocal shows VECC has being the primary purchaser and then the contractual relationships with the other entities as well as how the licenses will be distributed and what their responsibilities are to the group. We will begin installation and implementation in June. The contracts will be executed and the purchase will be completed. Mr. Scott Freitag and John Inch Morgan have refined the application for accessing the grant and next month they will confirm that total amount and all the hardware decisions have been made. Mr. Carlton Christensen asked if John felt the product itself was still where he imagined it would be and if it performs as it should. Chief Evans commented that the fire service looks like it's a great program. Chief Diamond mentioned that the police service side on the CAD will give them the capabilities that some of the agencies didn't have before, which will be good. What it really does is puts everyone on the same page in the Valley which will be extraordinarily helpful, especially when you get into the RMS system. They haven't ever had in either Spillman or Versaterm a really good automated field-based reporting system, this will really assist. He is very excited about it and feels it will meet his needs better than what is currently running. John thinks that from a general user standpoint, either from the dispatch side or the MDT side, the visual is so much better than anything he has seen before. For a large agency bringing everyone together this is something that Spillman and Versaterm just don't do. The go-live date will be in approximately 18 months. John said that the contract states the entire system has to be up and running for at least 30 days without any errors. If there are any errors, the 30 days starts over again. Hexagon has to stand this up and if it's not acceptable, it will be rejected. Part of the 18 months will include training time. The final price for everything looks to be around \$6 million total. The hardware component will be something to be narrowed down. Hexagon had their CEO retire at the end of March. He had given us a lot of concessions. John is educating the new CEO coming in on those concessions that have already been promised.

One item not on the agenda John wished to discuss was Chief Kevin Turner from Grantsville asked if VECC would entertain having them come join us. John was looking for a motion from the Board to be able to speak with Chief Turner further. From a technological standpoint, VECC has the capacity to bring them on without

any additional costs. Mr. Randy Fitts didn't feel like it would hurt to give the authorization to move forward and have further discussions with them.

Motion –

. . . by Mr. Randy Fitts; to authorize John Inch Morgan to have further discussions with Chief Kevin Turner; seconded by Mr. Mark Reid; the motion carried unanimously.

Staffing

John commented that VECC has had some external things affect us recently. We have discussed the 9-1-1 tax money and the roller coaster that has been seen. John has been pursuing this with the State Legislative Auditor General. He had another meeting with 2 of their auditors yesterday to try and find out where we are and if we've made any progress. The past 3 months, we have seen some slight increases in the revenue coming in. The Auditors are coming up with a solution which will be fairly long-term. What was discovered is the State Tax Commission audits the Telecommunication Companies at a rate of 2% or less of total revenue of total lines. This doesn't really show up a lot. When John asked about the depth of the audit itself, they are just doing a simple comparison, getting into the records in some cases, but doing a comparison between what the number of lines being reported and the revenue coming in and if it follows some pattern. We are seeing a divergence of trend lines that don't make sense. John send them yesterday a document that Magic Jack is putting out, which says they really do have a responsibility to pay the 9-1-1 fees, but why don't they just remit directly to the PSAP. There is a lot of work still to do and it may have to be some additional legislation. The State Tax Commission has offered little reasons and the Telecoms have offered little reasons of my there might be some divergence, but it doesn't answer all the questions. John's meeting with the Auditor General yesterday was more confusing than settling. John feels we will have an answer, but he doesn't think it's coming in weeks. The Auditors report will be done by the end of September because the issues are so convoluted. Their biggest excuse that the Telecoms have is that they contract out the collections to a third party.

The next thing that has taken some time is the number of phone calls coming in from news media and others about the UCA issues that have come up. Their clerk had stolen through credit card fraud about \$800k, which is what they could track down over 7 years. She has admitted to the fraud, along with her daughter, in doctoring invoices. The accountant that was overseeing this didn't do her due diligence in overseeing those transactions and making sure there were receipts. Both have since been terminated. The outside auditor that had been hired has been fired because they saw nothing. They have brought in a new accounting firm doing the day to day and reconciling the books over a period of time to find out exactly where they are. At 75% owners, all the locals, and all the fees that are paid, this is a concern to us and is why John has been fielding a lot of phone calls. The accountant also gave herself an unauthorized \$20 per hour raise, which is another reason why she left, and something that is being investigated. The Executive Director, the CPA and the Accounting Clerk have all now left. Steve Proctor is on Administrative Leave until June 30, 2016 at which point he will be officially terminated.

As everyone knows, VECC has always struggled with maintaining full employment here at the Center, as have all the other call centers. We have a very high turnover rate from 12 – 24%. Some of the reasons include stress, not a good match and things like that. Salt Lake City has been suffering from the same things and they have also been suffering from things such as performance, how they do business, etc. The Salt Lake City Council decided they would try to shore up their dispatch center. They allocated almost \$500k for compensation to bring up their employment and make adjustments in their salary. They identified that they would allow lateral transfers in. If someone had 5 years of experience elsewhere, they would bring them in at that same 5 years. VECC has had 9 employees who have put in applications and 5 of them are likely to go. They are individuals who were hired within the 4 – 10 year range. Looking back at 2008 where raises weren't given, they didn't move up. Salt Lake City has the union where they did have step plans and such there is a disparity. Some of these individuals are going over with an increase of \$2 to \$3 per hour. There have also been a few employees who have been invited to redirect their careers, those that have not been pulling their weight. Going into the summer, we are looking at changing where we are, and we need to sit down and look at how we do business and maybe make changes there from a service standpoint. We can continue to try and match compensation, we can change and adjust the services or meet somewhere in between. Also, as many of you know, one of our supervisors, Rion Phillips, was killed in a motorcycle accident. He never stopped and was

always willing to sit down and take a call or do two or three things at once. He was cross trained and could sit and do anything and wasn't afraid as a supervisor to deal with things. These are the kinds of situations that bring us to where we are. John would like to recommend that we hold an Operations meeting next week so that we can delve into these issues in greater detail. John wanted to present them at this joint meeting so that our Trustees and Operations were on the same page and know where we are given these circumstances.

Beth Todd wanted to discuss where we are currently and then talk about the summer bid, which starts in about 3 weeks, on May 8, 2016. We'll talk about some of the changes we made before we got the news of the 5 employees leaving. Currently, our schedule is laid out for 87 people, 43 PD shifts, 30 CT shifts and 15 Fire shifts. Right now we have 8 openings on police, 3 on fire, and 37% vacancy on CT. What they found over the past few months as the Police Chiefs are aware, when they haven't been able to fill a channel due to someone leaving sick or if everyone else is already on channels, they patched channels together. This has been done successfully when it's been slower, but moving into the summer, it's not going to be an option. The summer bid has been completely redone, lowering the number of required police channels down to 37, and lowered fire down to 14. The openings have been shifted from the dispatch side to the call taking side. Normally in the summer, we open up a 4th fire channel but because of staffing this year we have not done this. We will have a 4th fire trained dispatcher here from 0900 – 0100 and will act as a call taker until they need to open the 4th fire channel due to a working incident. On call taking, because there are people in training and won't solo until 3 weeks after the bid, they did a mini bid with 20 shifts. They identified those shifts that could give the best coverage with the 20 shifts. They also did a bid after that to include the 5 trainees in it to cover 26 shifts which will begin the first part of June and carry through to the rest of the summer. They will add shifts to the 26 shifts as more individuals are hired and trained into call taking. Beth and Gigi felt this was the best way to make use of the number of call takers we have.

Gigi Smith mentioned that the radio dispatchers will need to handle more on their channels. Currently, they are expected to help with calls. Rather than having them help with calls, if they are dealing with more radio traffic, they are now going to be able to answer more calls and serve as a Call Taker/Radio Dispatcher. Up to this point, 2 employees have been allowed to be off at the same time, and this is being changed to allowing only 1 employee off on vacation at a time. They have also looked outside of VECC, at Salt Lake City and other agencies to see how they handle things. At SLC, the radio dispatchers handle no telephones whatsoever. If their officers need something, they call in on designated lines and the radio dispatchers attention isn't taken away from the radio, but those call takers will assist the officers with their requests. Gigi will be talking with the agencies to find out how we can work better with them as far as their officers handling more of their requests on their side. We want to insure that the officers are trained to be able to run information themselves.

Beth Todd said there would be another meeting scheduled in a few weeks for the fire side to discuss configuration and how we use the 3 dispatchers they currently have. These conversations will also happen with police. They will discuss if there is a more efficient way to do the configuration on the police channels. They looked at the possibility of having the officers not call into the dispatchers. IM was disabled due to a lot of chatting between dispatchers and officers which takes up a lot of the non-air time for the dispatchers. Freeing up time on the police channels, it can be refigured and we can combine some channels or perhaps close a service channel down for the summer. For Fire, on the Zetron system, they have looked into analyzing if they want to go to the automatic voice dispatching, which can free up more time on fire as well as going to silent dispatching for at least medicals. Training has been restricted unless it is absolutely required training they have to go to. All the options are being looked at.

John commented that they started looking at why they are staffing at certain levels and what tasks are people doing. The IM is one of those that together, chiefs and our administrative staff need to work together. On one shift there were more than 500 IM's going back and forth between dispatchers. This isn't something any of want to continue to pay for and staff. Gigi Smith also said they are looking and making sure they are educated on the software they are using to be sure it's being used to its full capacity. They are also reviewing their policies in regards to a call taker staying on the line until an officer arrives. Sometimes this can be unnecessary and time consuming. Beth mentioned they are looking at mandatory overtime for the summer and reassigning some of the hours for the Admin. Support employees who are trained on the floor and having them do a few hours on the floor each week. Readjusting the supervisor schedule is a possibility. They are looking at having

Admin. employees assist with investigations and things so that those on the floor can focus on the phones. Another possibility is outsourcing the QA program for the summer which will free up several supervisors to be able to assist on the dispatch floor.

Kyle Kershaw asked for those that are leaving to work for Salt Lake City, if it was all about the money. If VECC could match the increase would they still leave. John said he does believe that it's all about the money for them. People leave for a variety of reasons and John isn't sure that they are open and honest in their reasoning. He feels he has a good, open relationship with all of the employees and many of them have discussed things with him. VECC has made some significant adjustments to bring up the entry level start pay to make it equal. Since we increased our starting salary to \$15.19, Salt Lake City has had 2 increases.

Jeff Monson reported that they are always looking at turnover and staffing. He showed 2 charts which displayed 2014 and 2015 pay rates. In 2014, VECC started employees at \$13.90. They felt they were losing a lot of individuals due to the low start rate. VECC lost 15 people in 2014 for better wages. We do also lose people to stress, shift work and things like this. The Board members allowed VECC to make a pay adjustment in 2014 increasing the starting wage to \$14.92 and then again in 2015, we made an adjustment brought us to \$15.19 per hour. In 2015, we only lost 5 employees to other jobs for better wages and we only lost 21 total employees for the year. This year, one of the challenges has been with Salt Lake City and their lateral moves. We have had 9 individuals that we know apply at Salt Lake City. The employee that Jeff spoke mentioned they are leaving because of the increase in pay. Salt Lake City starts out at \$15.62 and they top out at an 8 year step plan at \$23.93. Our employee at 4 years could make \$17.16 and at SLC they could be making \$19.17. The downside to moving over to SLC is that they do not keep their seniority, which is pretty important. Jeff has talked with many of the other dispatcher centers around and each one of them has many positions to fill. Adjusting salaries is one of the ways they are trying to make it more enticing for individuals. John mentioned a law passed a year ago which allows people in the public system to join the Public Safety System, reducing their retirement down to 25 years. This would have cost VECC about \$750k. Some of the agencies that have joined the system only funded it for their employees for one year, which means they will have to cut back their budgets. VECC isn't going to have to compete on this. Jeff and Andrea have put together a complete compensation package so that they can show each of the employees exactly what it costs to employ them here. It's not just their salary but also the benefits paid for in their behalf.

John would like to utilize some of the existing money right now and have the flexibility to look at this. He would do it within the existing budget approved in the coming year. The last thing John wants to come up with as a recommendation and a solution is to create a Public Safety Emergency Communication District. It wouldn't be an easy process especially expecting to have taxing authority. It would be put out for a vote to the public. A county can identify a special service district that specifically includes public safety and public safety communications. The county can identify the governing board and a number of different things. John has put together some models and it's a starting point for discussions. He feels at some point in time this is something that needs to be addressed. If there was a consistent funding mechanism, not coming from each and every budget, not subject to fluctuations as we have seen with the 9-1-1 Tax, it will do a number of things. By including all of the PSAP's in the Valley in that same public safety funding District, we can standardize compensation and policies. There could also be a single entity but individuals could be assigned to different locations. All of this has to evolve and it will take some time, but we have to start looking at options available at some point of time. With the technology happening, VECC is transferring calls and we have been putting bandaids on these things and this may be an option we should seriously take a look at. John has sent this proposal to Scott Freitag and the Mayor Biskupski and Mayor McAdams so that we can all start looking at it as the entities that need to pull it together. John is looking to completely fund the operation. Each agency would lower their tax rate to offset this. These are John's thoughts based on the statute as he's looked at it. Each individual municipality can identify an area or the County can identify an area that also includes the municipalities or everyone could jointly do it together. John would appreciate it if everyone would take a look at the model. The 9-1-1 fees would not be waived. To keep standard throughout the state, we would want to keep it in place. Mr. Kyle Kershaw asked John what he wanted them to do next with the information. John would like to have everyone review it and maybe share it with their City Attorneys. Mr. Mark Reid mentioned that the 9-1-1 fee is already a County-wide tax. If it isn't sufficient to handle what is most important, he feels it's the area we need to look at increasing. Even if we don't have the taxing authority, John believes we should

pursue or discuss the option of having the District. In that, we are combining and consolidating the Call Taking and Dispatch function. We have the same employees with the same pay rates and the same policies. This does not require a vote from the public. In the discussions John has had, Salt Lake City is on board. The mayor is taking it to the counsel to see where they are on it. We have made some great progress with the CAD and this is probably the next step. The statute doesn't require continuous boundaries. If we are interoperable with our phone system, CAD system and operations, we take great steps in eliminating liability. John would like to be able to consider all options, including this one. John is trying to think outside the box and make things better. Mr. Kane Loader is on board with this idea. This is one of the services that has to be highly important to the tax payers. If this goes before the public for a vote, there has to be some education that goes on.

John would like the Operations Board set a meeting up for next week and then he will get it out there. The District will be something ongoing; he will bring this back next month after everyone has had the opportunity to review it further.

ROUNDTABLE DISCUSSION

Mr. Gary Whatcott asked John if he felt he had enough latitude to solve personnel issues. John will put together a proposal based on the conversation today and send it out and then he'll poll everyone. There is action he needs to take but he wanted to present the information to everyone first.

There was nothing else to discuss.

The meeting adjourned at 3:28 p.m.

John mentioned that a vendor has been selected. The Committee has met several times in trying to refine the contracts. They had a meeting later last week, going over a number of elements in the contract to determine how they would configure holding licenses and things. A sub-committee of legal individuals has sat down together to review these contracts. They will be meeting again in 2 weeks after all the preliminary negotiations have been gone through. Hexagon has been very accommodating in looking at things to make sure they are providing the things being asked for and they have made a number of concessions that have now been put into the contract itself. There will be a master agreement where they will look at all the indemnities and responsibilities going back and forth and then 2 special orders that will be specific to the acquisition of the software and hardware. The second order will be looking at the maintenance. One thing proposed was pre-paying for maintenance for 5 years at a substantial discount. In looking at funding this project, there is \$0.03 assessed on each phone line which is put into a restricted CAD fund, which is available to us. There was a UCA meeting yesterday and Steve Proctor indicated that this fund was put together for our purpose here primarily. This will generate \$2.5 million per year. If hardware and maintenance are purchased at the same time, this fund will be able to cover it, which will save ongoing maintenance. Chief Diamond reported that they are making good headway. One thing they spoke about was selecting a purchasing agent on this. In a previous meeting, it was discussed that VECC would be that agency. VECC would be the agent to purchase and they would sub-contract to everyone else. If everyone moved to a Communications District, all the licenses would be transferrable to that Communication District. This language is being built into the contract to protect everyone in the future. This is not just for the CAD but for RMS, Mobile, and other pieces. It's the whole package. The intent is to include not just the VECC Agencies, SLC and Sandy, but to include other agencies such as the U of

U, UTA, the Airport, Alta, Granite School District and others. With the way John has been able to craft the system, most of this will be paid for with State funding. John indicated that VECC would be the primary agency and the sub-contractors would be those involved with the RFP, Salt Lake City, UPD and the VECC agencies. The RFP was written broad enough so that it could be an open purchase agreement for 3 years in order to include the other licenses coming in. The overall agreement includes the option for other entities to join. VECC is an Interlocal Agency and so anytime a new group comes in, it requires a signature by all the entities to agree to allow the individual in. This is not a significant obstacle, but one John wanted to be sure the contract included.

The next step is phase 2 into a 9-1-1 District. In talking about the budget, prior to some of the budget issues that we have been dealing with currently, as we start pulling together and have a unified CAD, RMS and those kinds of things, it makes sense to have a 9-1-1 District. Weber Morgan has a 9-1-1 Communication District and has its own taxing source. What this would mean for VECC members is that instead of paying a members' assessment, it could be folded into this taxing authority, which would have a governing board put together and they would be elected officials so that they could set up the tax rate going forward. In putting together the organization that purchases and holds the licenses, we want to look forward to the potential of having a District at some point in time. John feels this is something we should be cognizant of and start to seriously consider how we are funding public safety communications.

John shared the Utah Code which specifically allows creation of a 9-1-1 District. He encouraged everyone to look at this as it is a possibility John will be recommending. It will not affect the purchase of the CAD and RMS and other mobile data-type software. One outcome of this would be a consolidation of all 9-1-1 centers in the County. It would be under one management. Chief Diamond mentioned that one of the advantages of going to this system is virtualization of the consolidation. It's consolidated as far as dispatchers and call takers can work simultaneously back and forth with each other, especially if there is a failure in one building.

Legislation

John commented that there are two pieces of legislation that deals with the PSAP's. One is Senator Van Tassell's Bill, Brad Dee had one very similar to this, and it concerns the UCA, giving the governor the ability to appoint the Chairman of the UCA board. It gives the Chair the ability to appoint the Executive Director with the advice and consent of the Board, and then rotated the Board Chairmanship from local governments to the State government. The UCA is a State local independent agency. About 75% of the funding comes from locals and it comes from the radios that are paid for in public safety. The second part of it is three years ago, the vendors, who were part of the 9-1-1 committee, were excluded from the committee. Senator Van Tassell was approached by the telecoms to add vendors to a Technical Advisory Committee with no users on this committee. It was changed so that there are now 3 Technical Committees; one for radio, one for interoperability and one for 9-1-1 services. These Technical Advisory Committees will have a fairly equal balance of vendors and users to advice on different things. Senate Bill 193, Senator Harper's bill, does a few different things, a moratorium on expenditure of funding that came from a separate fund, also a restricted fund from the State, where local communities come in and request funds for their needs. The moratorium is in place because there is a study going on right now. A consultant has been hired and they are doing a study and the State Auditor General's also doing an audit of all of the funds being collected by the State for 9-1-1 purposes. The purpose of Senator Harper's Bill was to justify those expenditures before two separate committees and if it can be justified, the funds can be utilized. The State Auditor General went through an audit and because there were no rules for disseminating those funds, they were used for very disparate-type purposes. The audit has been extended to August 30, 2016 and the moratorium is extended to June of 2017.

National Telecommunications Week

Jeff Monson just wanted to make everyone aware of National Telecommunications Week coming up April 10-16, 2016. VECC holds a lot of different activities throughout the week to show appreciation to the employees. Jeff thanked everyone for their participation as well, and all the Chiefs at the last Board of Operations meeting who signed up for food for the BBQ on Friday, April 15th. Jeff also invited all Board members to come out at noon and eat and visit with the employees.

FISCAL YEAR 2016-2017 BUDGET PUBLIC HEARING

This meeting was advertised as a Public Hearing to discuss the budget and there is a resolution to adopt the budget with any changes or modifications they may have.

Motion –

. . . by Mr. Randy Fitts, to open the Public Hearing for the 2016-2017 VECC budget; the motion was seconded by Mr. Mark Paleish; the motion carried unanimously.

Chairman Winder opened up the Public Hearing and invited anyone who wished to speak to the 2016-2017 Budget to please come forward. There were no comments from the public on this.

Motion –

. . . By Mr. Gary Whatcott, to close the Public Hearing for the 2016-2017 VECC budget; the motion was seconded by Mr. Randy Fitts; the motion carried unanimously.

Chairman Winder then invited a motion for a resolution to adopt the 2016-2017 VECC Budget. Before the motion was offered, John Inch Morgan wanted to mention a few things. He shared differences in revenue. In looking at the budget itself, the expenditure budget has been reduced from last year; it is actually \$500k less. One thing that has made a difference, because we are asking for more revenue coming in, is the reduction in the 9-1-1 fees coming in. VECC's funding for these fees comes from the number of lines that are available and the number of lines the telecommunicators report. \$0.61 on each one of these lines is the revenue that comes into our Center. One anomaly John found was the number of lines being reported and the decrease in lines from 2014 to now, which is a decrease of 30 – 40%. The 2 main sources of revenue coming in is the 9-1-1 fees based on the lines and the member agencies in both Law and Fire. These are based on a 3 year rolling average of the calls being received and processed. Every year, we look at calls for the year; they are averaged for 3 years and then divide them into the cost for providing the services. John mentioned to everyone in the past few meetings that he has been working with the legislative auditor. In the last reporting period for January numbers, there has been an increase coming back up, but it doesn't give John enough comfort to project a sustained increase throughout the rest of the year. Some of the throw-away phones are charged a higher rate than the \$0.61 per line, which means we should be benefiting if some people are moving over to these means. There are a few other things John is trying to dig into. The State Tax Commission only audits 2% of all of the phone lines that are being taxed throughout the entire state. This isn't enough to get a good sample. Even though people change their billing address, a lot of times their remittance is going somewhere else. For now, this is the budget John is proposing with the revenues coming in. There was a clarification in Senator Harper's bill this year where the Life-Line phones are not taxed with the \$0.61, but anytime they purchase extra minutes, they must go to a vendor and they are taxed at the higher rate. The FCC provides the funding for this \$9.36 per month, to the vendor to provide the phone and minutes. Chairman Winder mentioned that this isn't the first time there have been mistakes made in these funds which resulted in huge disparities. They found that the telecoms are essentially unwilling to share hard data and the Tax Commission is going to have to be spurred to do something about this. The anomaly being described is absolutely clear and there needs to be reconciliation. No one believes that there are less lines and the difficult part, from a budgeting perspective, is you can only go by the revenues distributed. John reported that 7 years ago, the State bought a very expensive automated tax system. In 2011, these 9-1-1 fees were implemented but they are totally self-reporting. They report the number of lines and the amount of money that is there. In looking at John's spreadsheets, the discrepancy in lines doesn't align with the discrepancy in funding. This is a huge flag that comes up which the Legislative Auditor General is pursuing. For the 2 dispatch Centers, it's about \$100k difference per month. The excuse with the telecoms right now is that they hire a 3rd party to collect and disperse those taxes, and they are not always accurate.

Mr. Kyle Kershaw wanted to mention that this budget, due to the issues mentioned, requires an increased assessment. It was brought up that this Board would look at the budget, if the revenue problem gets addressed and improves, and consider refunding the member assessments. John replied that the Board of Trustees has the ability to open the budget at any point in time to make budget adjustments.

Motion –

. . . by Mr. Kyle Kershaw, to adopt the budget as presented by VECC Administrative Staff with the understanding that if the revenue situation improves at some point throughout the year, the budget would be reopened and there would be a possible refund of increased assessments; the motion was seconded by Mr. Randy Fitts; the motion carried unanimously.

NEW BUSINESS ITEMS FOR FUTURE MEETINGS

There were no new items to discuss at this time.

Chairman Winder offered his thanks to John's efforts as it relates to the RMS and CAD situation. John has done a stellar job getting everyone informed on this. He commended John and his staff.

Roundtable Discussion

There were no items to discuss at this time.

The meeting adjourned at 1343.