

E911 TELEPHONE AUTHORITY
BOARD OF DIRECTORS MEETING
WEDNESDAY, AUGUST 12, 2020

ATTENDANCE

Rick Reigenborn, Chairman – present
Troy Smith, Vice Chair – Absent
Stuart Sunderland, Treasurer - present
Dave Ramos – Absent
Clint Nichols – present

OTHERS IN ATTENDANCE

Joel Estes – Adams County Communication Center
Scott Gerhardt, - Adams County Communication Center
Tonia Fuller – Secretary for the Board, Adams County Communications Center
Ryan Tharp – Attorney to the Board
James Pauley – Accountant with Feis and Company

CALL TO ORDER

The meeting was called to order by Rick Reigenborn at 3:06 p.m.

APPROVAL OF MINUTES

Motion: Stuart Sunderland made a motion to approve the 06-10-2020 minutes.
Second: Clint Nichols
Approval: Motion Carried

TREASURER'S REPORT:

Motion: Rick Reigenborn made a motion to approve the Treasurer's report.
Discussion: The financials reflect about a 50% of revenue budgeted. The Adcom personnel reimbursement is lower due to vacancies. Expenses are at about 33%. Savings in revenues. Terry is transferring funds to ColoTrust.
Second: Clint Nichols
Approval: Motion Carried

2019 Audit – Jim Pauley

Thank you to the board for the opportunity to complete the 2019 Audit. Jim will present highlights from audit and ask any questions as he proceeds. Overall the audit went very well. No issues with getting the information needed from Terry. There were a couple of adjustments in Accounts Receivable and Payable. Adjustments have been made in the financial statements you have. This is the standard auditors report, unmodified opinion. It is the cleanest audit opinion letter we can provide. It basically states that we have audited the financial statements and feel they are materially correctly stated. Directly behind that 2-page letter, is the management discussion and analysis. This was put together by Chief Sunderland. They do not audit it, but do make sure it is materially accurate as compared with the financial statements themselves. Directly behind that is

the statement of net position or balance sheet. The 2019 and 2018 comparative numbers. You ended the year with 6.66 mil in cash between the regular bank account and COLO Trust. There are accounts receivable in the amount of 693,000 for Surcharges from the various phone carriers and a little bit of prepaid expenses for a total asset of 7.35 mil. There are some accounts payable to Adcom at the end of the year of salary reimbursement and other expenditures reimbursement. That totaled 334,000. The net assets just over 7 mil dollars. Very strong end of the year for the Authority. On the next page is the statement of revenue and expenses. Telephone surcharges are just over 5.1 million. Interest income, total income was just over 5.175 Mil. All the various expenses, most go to Adcom. That totaled just over 3.79 Mil. Net income or increase in the fund balance of just over 1.38 mil for the year. One of the items we look at as part of the audit and are required to do so is to compare with your budget and make sure the total expenditures of the Authority did not exceed the appropriated budget. The 2019 appropriated budget was 5.4 mil. So, you are well under the budget for 2019. No issues with the state in terms of budget compliance. The other items as part of the audit procedures is to consider the possibilities of fraud and plan that in the audit. Jim is happy to be able to tell the board that they did not find any signs of fraud. The other document you have is the management letter. It summarizes the information reviewed in the financials. At the bottom of page 4 of the letter, under segregation of duties, one of the items noticed over the last number of years and wanted to reinforce this that in terms of your internal controls, because you have one person doing all the accounting work for the Authority, it is important that you have active participation by a board member reviewing and managing the finances for the Authority. It is recommended that you have a board member or combination of board members who review the monthly reconciliations, looking for anything unusual and approve those, review vendor invoices, and make sure they are approved vendors and approved dollar amounts. They need to look at the monthly check runs to review that they are approved by the board. This is the recommendations around improved internal control. Very good audit, no issues. We welcome any questions or items of concern the board might have.

Sunderland – he is brand new to this organization and is trying to work through the audit. Jim has been a huge help. He answered a lot of questions. Thank him for his professionalism and time. Clint Nichols – He was unable to review due to not being able to open the document. He would like a hard copy. I like the idea of his recommendations but wants to see if the board has an actual procurement policy. When you discuss the receipts and making sure that they were going to legitimate vendors, are we using Adcom's procurement policy to make sure that is done correctly? Jim – that is essentially, the vast majority of what is paid out is to Adcom. Just to make sure those items that are not part of the Adcom reimbursement are part of the approved budget for the Authority and are from vendors the board is aware of for the basic office needs of the Authority and anything else that the board is paying out. Rick Reigenborn could not open the attachments as well. He appreciates Jim going over the documents for the board. Jim tried to forward the documents but they are large and do not want to go through the email system. They want to go through as a Google docs link. I do not know if it went through or not. The Sheriff's Office is not able to receive Google docs. If we could get printed copies at Adcom. Adcom can provide them. Stuart Sunderland, we need to sign this document today. All approved the document.

UNFINISHED BUSINESS

Legal Update – Ryan Tharp

The amended 911 statute – changes were made, most were rearranging the statute in various ways and changing some of the language. Importantly for the 911 Authority is that the state approved a second 911 fee. It will be charged by and set by the PUC and collected by the PUC. They will then take that money and distribute it to the 911 Authorities based on a formula that they create. It is to offset the cost of the ESInet and recurring line charges imposed via the ESInet. There might be a little more money for things beyond that, but that is the intent of this additional fee. The legislature has allowed the PUC to increase the 911 surcharge cap for all PSAPs. They are meeting today to determine the statewide 911 fee that they are going to collect and to determine the fee will be split up across 911 fees across the state and determine what the cap is to be set at. The PUC is going to open a rulemaking proceeding to do that. It is Ryan's recommendation that the Authority be involved in that process and file our comments before their deadline. He would like the board to give him approval to start working on that to enter our appearance in that proceeding when it started.

Motion: Clint Nichols made a motion to approve Ryan Tharp to represent the boards interests for the authority in the PUC meetings.

Second: Rick Reigenborn

Approval: Motion Carried

Nothing more on the legal side.

The diversity proceeding ongoing. There has always been an issue with network diversity across the state. It does not impact Adams County, but during the 2003 floods, the PSAP in Estes Park was cut off completely because the flooding happened through Thompson Canyon and it cut the fiber that went up to Estes Park. They did not have multiple ways to get traffic in and out of Estes Park. They were cutoff from any access in communication. There are other examples of that across the state where you have single points of failure. The PUC and CenturyLink have been looking at addressing these over a period of time. It will be complicated. One of the potential uses of this money, if there is extra money, is to go toward that process. There has been a proceeding and it has been put on hold. Ryan anticipates it will be on hold pending COVID and the ESInet rollout.

911 Task Force Update – Joel Estes

911 reliability came up at the task force – same issues that Ryan brought up. Single points of failure and try to get them addressed. The state of the 911 report is scheduled to be released in September. Their findings will be in the report. It is supposed to be comprehensive.

911 Fee – if it goes as reported, each 911 Authority should be receiving additional funds on top of the local fee is. It can be anything between \$.01 and \$.50 per phone line. Ryan – we can work together on a response.

ADCOM UPDATE – Joel Estes

ESInet cut over is complete. Officially cut over at this point. CenturyLink has taken down the old 911 trunks. No issues at this time.

TDMA project is now wrapped up. Our radio team is still doing some programming. The infrastructure upgrades have been completed. The radio system upgrade is almost completed. There are a few punch list items.

The Adcom building project has not yet been approved by the Adcom Board. We are hopeful it will happen at the next Board meeting.

Personnel – still short personnel. We expect for most to be filled by the end of the year. But not all of them.

Weld County Back up Project – Currently on hold due to COVID situation and they are now doing a major upgrade to their VIPER network. We are on hold until it is completed which scheduled for the end of September.

FEDERAL HEIGHTS UPDATE

At the last meeting it was voted to pay for 4 months. Troy and Ryan are working with Terry to obtain an invoice from them that is more detailed. Ryan is not sure if Federal Heights has provided it yet.

Motion:

Second:

Approval: Motion carried

NEW BUSINESS

Authority Website – Ryan Tharp

We have been discussing doing some by-laws for the Authority. They have been sent out for review. One option that the Authority has is to post notice of minutes on its website. The Authority does not have a website. If that is something the Board wants to consider, this could be a landing site that has links to Adcom, a repository for posting notices of meetings and minutes of meetings as well once they are approved. It would provide some general information about Law Enforcement and Fire Protection and Emergency Communications in Adams County. SPIA, the Statewide Portal Internet Authority. They offer low cost or no cost, depending on which options chosen, for hosting a website that hosted by the state. It would be an option. It might be necessary to hire someone to build the website, depending on what SIPA has available for basic websites. Rick – Who would run and host it? Ryan – SIPA would run and host it, no cost or low cost, depending on what the options are. The Authority would have take on the responsibility of posting notices, making sure the information stays up to date, links work, that sort of basic upkeep. We could hire someone to do, like a website developer. Rick – Is this something the three of us should decide or something we should wait until all members are included for input? Clint – It is not that much work, we will not have a full-blown website with a link to agendas. It is not much of an undertaking once it is built. The difficult part is getting it up and running. He doesn't think it should wait. He suggests it is moved forward. The sooner we do, the sooner we can get it up and running.

Motion: Stuart Sunderland motioned to move forward with the E911 website and expend up to \$3,000.00 for the process.

Second: Clint Nichols

Discussion: Ryan will take the next step to finding out how to proceed and if there is a cost, if a designer is needed to build the website out. If we need to spend, should the board approve the funds, 3-5 thousand? It was decided it is appropriate.

Approval: Motion Carried

Expenditure Approval Process – Ryan Tharp

This item, Expenditure Approval Process, Budgeting Process, Meeting Process and Consideration of Draft Bylaws. The bylaws were sent out. Ryan is not sure all were able to review them. There were a couple of points that he needs additional information on the processes the Board wants to include in the bylaws. Terry Hagen has questions about the expenditure process and questions about the budget process. We do not have to make the hard decision about these today. The first is the expenditure approval process. We had a meeting a couple of days ago with Adcom and members of the board to talk through this. It comes down to how the process works. It currently works by Adcom takes their expenditure request, send them to Terry, who reviews them and pays them. They do not come before the board. Sometimes they do if they are unique or large expenditures. Joel – the budget process is one thing and handling the expenditures are approved separately. The invoices are processed at Adcom and paid. Then it is sent to Terry Hagen for reimbursement. Jim Pauley brought forth if there needed to be a review process. Maybe the Treasurer or someone else taking a look at those invoices or special requests to make sure that everything is good. We are good with doing it whichever way works best. Stuart – One of the things we talked about is maybe trying to identify what expenses they are, run of the mill, ongoing, repetitive bill, and which are unique projects. He and Terry do not have a good feel for it. If it is clarified. If it is a monthly bill, it needs to be reimbursed, that is an easy one. But if it is part of a unique project, having a better identifier. We would like to clarify that better for next years budget. It is a good idea for him to see the check register and sign every month to make sure everyone is on the same page and for the segregation of duties. Ryan – one question is does the board want to have the invoices and reimbursements come before the board for review or discussion so that the board can get a better feel of how the process works and this is the types of expenditures that are coming through. Stuart – We don't want to hold up bill paying until we have a meeting, but at the same time, Terry is paying these bills, it might not be a bad idea to review. Review the major expenses and give everyone a change to see what is being paid. Tonia – The expenses are paid by Adcom, then submit for reimbursement. Joel – one of the decisions going forward on the Adcom side was to provide a narrative to go along with the line items, so that Terry has a better idea of what falls into what account. That way she would have a better idea it is that line item, she would have a better understanding.

Ryan- We talked about the budget process as well. It was determined that Chief Sunderland is going to take the main part of that work. Adcom will send him their budget request to build into the budget. Adcom will submit their budget to the E911 Authority before the October 14 meeting.

Authority Bank – Stuart Sunderland

Terry will be looking into another banking solution as Wells Fargo is not meeting the Authority needs. We will look for a bank that is a little more user friendly and offer solutions to streamline check processing. We will bring other options to the board for discussion.

Meeting Process – Ryan Tharp

Currently Adcom takes notes and prepares the meetings, records the meetings, and stores the information at Adcom. That process has worked and Adcom very good at providing that service. As we are considering all of these things, that the board reviews and decides whether they want to continue this. Joel – from the Adcom side, we are trying to establish separation. The Board members sit on both boards. The issue of separation

comes up. With the budget preparation, this came up. We all agreed that it made more sense to ensure there is a clear delineation between what the Adcom role is and what the E911 Authority role is. It is Adcom's job to put together the request and then the Authority either grants it or doesn't. It does put more work on Tonia. We don't know what the alternative is. As a matter of good practice, it makes the most sense to separate the two. But how to achieve that is something the board will have to discuss. Rick – It seems odd to have Adcom coming to the E911 Authority to ask for certain bills to be paid, yet Adcom is taking the notes and keeping the records. Rick agrees it is not necessarily the best way to conduct business. I don't know what the options are. As Rick is the chair he could as his assistant to sit on these and have her take the notes. Ryan – it is not pressing to make the decision today, we should add to the agenda for next meeting and we will have all the board members and it can be addressed again. Unless a decision needs to be made right now. It will be carried over for the next meeting. Clint is okay with tabling it until the meeting. A temp service can also be contacted and have them do only E911 Authority meetings.

Motion: Clint Nichols motioned to table for the next meeting.
Second: Stuart Sunderland
Approval: Motion Carried

Consideration of Draft Bylaws- Ryan Tharp

Ryan needs additional information for the bylaws in regards to budget. I will schedule a meeting with Chief Sunderland to draft out the information and bring back to the next meeting for review and adoption.

Designation of Place to Publish Public Notice – Ryan Tharp

The Board is required to formally state every year where we are going to publish meeting notices. Traditionally, it was done at the Sheriff's Office, when we met at the Sheriff's Office. We are not currently meeting. Rick – It can be published at the Sheriff's Office at the government center.

Motion: Stuart Sunderland motioned to post the public notice by the ACSO Sheriff at the government center.
Second: Clint Nichols
Approval: Motion Carried

Annual Establishment of ETC Rate – Ryan Tharp

The Board is required to state if the ETC rate is adequate for another year.

Motion: Stuart Sunderland motioned to keep the current ETC rate for 2021.
Second: Clint Nichols
Approval: Motion Carried

ADJOURNMENT:

Motion: Stuart Sunderland motioned to adjourn the meeting at 4:01p.m.
Second: Clint Nichols
Approval: Motion Carried