

Finance Committee of the E911 Service Board

Meeting Minutes

July 8, 2011
10:00 AM - CESC

Members Present: David Von Moll, Chairman
John Knapp, Jr.

Lt. Col. Robert Kemmler
Pat Shumate

Members Absent

Staff Present: Dorothy Spears-Dean, Coordinator
Steve Marzolf, ISP Director

Lewis Cassada, Project Manager
Terry Mayo, Administrative Assistant

Note: An audio conference bridge was provided to allow the public to listen to the proceedings if they were unable to attend in person. No roll call was taken of the bridge participants.

1. CALL TO ORDER

Chairman David Von Moll called the meeting to order at 10:00 AM. The Chairman welcomed everyone to the meeting.

2. APPROVAL OF THE PROPOSED FINANCE COMMITTEE CHARTER

Chairman David Von Moll presented the draft Finance Committee charter that had been circulated to Committee Members prior to the meeting. After a brief discussion, Mr. Knapp made a motion to recommend the proposed Charter for adoption by the full E-911 Services Board at their July 14th meeting. Lt. Col. Kemmler seconded the motion. Chairman Von Moll called for the vote, and the vote passed unanimous; **4-0-0**.

3. PROPOSED MANAGEMENT REPORTS

Mr. Marzolf provided the Committee with a brief overview of the current fiscal information available regarding the Wireless E-911 Fund including pertinent sections of the Appropriations Act, existing financial statements and applicable sections of the *Code of Virginia*. He then presented a proposed management report to the Committee that was developed by staff. He walked through each row and column of the report to explain its contents. During this review, Committee members provided suggestions to improve the understanding of the report. After the review and discussion, Mr. Marzolf advised the Committee that he would be providing the proposed report, with the suggested changes, at the full Board for additional comments and feedback. Chairman Von Moll commented that the report would be a work in progress that would likely see several more iterations as the Committee gets deeper into their work.

4. APA AUDIT AND CORRECTIVE ACTION PLAN

Mr. Marzolf presented the Committee with the results of the FY2010 APA Audit. The audit had two findings with recommendations for improvement in the areas of cash management practices and validation of PSAP provided call and cost data. He advised the Committee that any audit containing findings required a corrective action plan to be developed. He presented the corrective action plan that VITA had developed for the FY2010 audit. The Committee discussed the plan to address each of the two findings including the role of the Committee. No action was taken by the Committee at this time in regards to the APA Audit, but it will be a continued topic of discussion for future Committee meetings.

5. MEETING SCHEDULE

Chairman Von Moll raised the issue of how often the Committee should meet. After some discussion, the Committee agreed that they should meet more frequently during their start up period. By mutual consent, the Committee agreed to meet monthly through the end of 2011 and asked staff to schedule the meetings accordingly.

6. OLD BUSINESS:

Since this was the first meeting of the Committee, there was no old business to come before the Committee.

7. NEW BUSINESS

There was no new business to come before the Committee.

8. PUBLIC COMMENT

There was no public committee from those present at the meeting site or on the audio conference.

9. ADJOURNMENT OF THE MEETING

Chairman Von Moll called for a motion to adjourn the meeting of the Committee at 12:15 PM. Lt. Col. Kemmler made the motion to adjourn, seconded by Mr. Shumate, and the vote passed unanimous; **4-0-0.**

Respectfully Submitted:

Steve Marzolf

(Date)

COMMITTEE CHARTER FOR THE VIRGINIA E-911 SERVICES BOARD FINANCE COMMITTEE

PURPOSE

The Virginia E-911 Services Board establishes a Finance Committee (the Committee), the purpose of which is to review matters relating to and/or affecting the financial management of the Virginia Wireless E-911 Fund (the Fund), and to make recommendations to the Board regarding those matters. The Committee is specifically authorized to review matters relating to and/or affecting Wireless E-911's financial and management reporting process, audit process, and processes for monitoring compliance with laws and regulations, and to submit reports and/or make recommendations to the Board regarding those matters.

DUTIES AND RESPONSIBILITIES

To fulfill the purpose for which it was established, the Committee shall perform the following duties and responsibilities:

A. Revenue Allocation, Budget and Cash Management

1. Review the proposed revenue allocations, budget and cash-flow data and reports regarding the Fund and advise the Board on changes recommended.
2. Review the procedures and reports of staff and report to the Board on the efficacy, content, significance, and/or impact of such procedures and reports as they relate to matters under the Committee's consideration.

B. Audit

1. Review, examine, and monitor the Fund's accounting and financial reporting processes, systems of internal controls, financial statements and financial disclosures and discuss any findings with VITA staff. Make appropriate recommendations and reports to the Board with respect to such activities.
2. Review and recommend to the Board the type of audit (e.g. performance, financial) to be conducted and any specific controls, reports, or processes the Board should ask to be reviewed.
3. Monitor the Plan's external audit function by participating in discussions pertaining to the Fund's financial statements and accounting policies with independent auditors.
4. Inquire of management and the independent auditors about significant risks or exposures and assess the steps management has taken to monitor and control such risks.
5. Perform such other duties if, as, and when directed to do so by the Board.

COMPOSITION

The Committee shall be composed of a minimum of four (4) members who shall be appointed by the Board. The E-911 Board Treasurer shall chair the committee. Each member is appointed for a four year term and may be reappointed for an additional two-year term.

Virginia E-911 Service Board
Wireless E-911 Fund Management Report
May 31, 2011

	<i>Appropriation</i>	<i>YTD</i>	<i>Projected Remaining</i>	<i>Balance</i>
Fund Starting Balance				\$ 11,297,777
Fund Revenue	\$ 52,257,425	\$ 47,750,897	\$ 4,297,698	\$ 52,048,595
Wireless E-911 Surcharge		\$ 46,772,379	\$ 3,897,698	\$ 50,670,077
Prepaid Wireless Surcharge		\$ 978,518	\$ 400,000	\$ 1,378,518
Fund Expenses	\$ 52,916,528	\$ 48,575,965	\$ 14,411,730	\$ 62,987,695
Program 71201				
VITA PSC Operating Costs	\$ 1,734,309	\$ 1,146,682	\$ 226,691	\$ 1,373,373
Network Development	\$ 1,000,000	\$ -	\$ -	\$ -
Program Total	\$ 2,734,309	\$ 1,146,682	\$ 226,691	\$ 1,373,373
Program 71202				
PSAP Funding	\$ 30,540,251	\$ 29,374,112	\$ 13,885,039	\$ 43,259,151
Base PSAP Funding (60% of Fund)		\$ 22,178,973	\$ 5,216,490	\$ 27,395,463
LEC Wireless Funding		\$ 3,764,652	\$ -	\$ 3,764,652
Awarded PSAP Grants		\$ 3,430,487	\$ 8,668,549	\$ 12,099,036
Program Total	\$ 30,540,251	\$ 29,374,112	\$ 13,885,039	\$ 43,259,151
Program 71203				
CMRS Cost Recovery (30% of Fund)	\$ 6,191,968	\$ 4,605,171	\$ 300,000	\$ 4,905,171
Program Total	\$ 6,191,968	\$ 4,605,171	\$ 300,000	\$ 4,905,171
Appropriation Act Transfers				
VGIN	\$ 1,750,000	\$ 1,750,000	\$ -	\$ 1,750,000
Compensation Board Funding	\$ 8,000,000	\$ 8,000,000	\$ -	\$ 8,000,000
State Police	\$ 3,700,000	\$ 3,700,000	\$ -	\$ 3,700,000
Transfers Total	\$ 13,450,000	\$ 13,450,000	\$ -	\$ 13,450,000
Fund Ending Balance				\$ 358,677