

E911 Wireless Service Board Meeting
March 11, 2010
10:00 AM - CESC

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| Members Present: | Michael Cline, Chairman John Knapp, Jr. – Vice Chairman Chief Ed Frankenstein Pat Shumate Linda Cage Fred Vincent Robert Layman Denise Smith | Phil Heins Lt. Col. Robert Kemmler Battalion Fire Chief Tracy Hanger Chief Ron Mastin Robert McAvoy George Coulter David Von Moll |
| Members Absent | Sheriff Fred Newman | |
| Remote | Abingdon Culpeper | Roanoke Tidewater |
| WSB Committees Representatives | John Knapp, Jr. (Funding Methodology) Chief Ed Frankenstein (Grant Committee) | Fred Vincent (Grant Committee) |
| Staff Present: | Dorothy Spears-Dean, Coordinator Samuel Keys, Regional Coordinator Lisa Nicholson, Project Manager Steve Marzolf (Remotely) | Terry Mayo, Administrative Assistant Lewis Cassada, Project Manager Susan Siegfried, AG |

1. CALL TO ORDER

Mr. Cline called the meeting to order at 10:03AM. Mr. Cline welcomed everyone. Ms. Spears-Dean did a roll call of the Regional Facilities.

2. APPROVAL OF THE MINUTES FROM JANUARY 14, 2010

Mr. Cline asked for changes/additions to the January 14, 2010 minutes, and there were none. Denise Smith made a motion to approve the minutes, and Chief Ron Mastin 2nd the motion for approval. All approved the January 14, 2010 Minutes, **14-0-0** (Mr. Layman had not yet arrived).

3. FINANCIAL REPORT

Ms. Spears-Dean addressed the Board and said that three financial documents are included in the Board packet for the Board to review at its leisure. Ms. Spears-Dean gave a brief summary of the outstanding awards for each Funding Cycle of the PSAP Grant Program (see attachment).

4. CMRS MONTHLY STATUS SUMMARY

Ms. Spears-Dean addressed the Board and referred them to the spreadsheet in the handouts, and said there has been another wireless Phase II deployment; however, there are a few localities with outstanding deployments (see attachment).

5. APA AUDIT REPORT

Mr. Steve Marzolf addressed the Board and said the Auditors of Public Accounts (APA) finished their audit of the E911 accounts. Mr. Marzolf said that this is only the second time they had some findings and recommended that the Board take a look at these findings. Mr. Marzolf said that Andy Powell, from the APA's Office, is in the audience, and is available to answer any questions the Board may have. Mr. Marzolf said that the first issue was ensuring that the Wireless Services Board collects all the revenue that it is suppose to collect. There were two checks from Sprint that were not received. Sprint was contacted, and said that because of some billing upgrades that took place, the checks were not mailed. The APA said that there are some bigger issues here, and that one way the State ensures that it is receiving the checks it should receive, is through a periodic audit. Mr. Marzolf said that VITA (Wireless Services Board) has never audited the Carriers. The APA Office has suggested that the Wireless Services Board through VITA partner with the Department of Taxation to conduct periodic audits. Mr. Marzolf said that VITA is going to start discussions with the Department of Taxation. Mr. Marzolf said that it will take Legislative changes to do this, and it will take place during the next General Assembly session. Mr. Marzolf said another issue the APA is concerned with is to ensure compliance with Grant Guidelines and also to ensure the accuracy of the PSAP distribution rates. Mr. Marzolf said that the error occurred because staff received the last True-Up at 5:00 PM the day before the Board meeting, which is not enough time to adequately review and prepare the final report for the Board. Mr. Marzolf is recommending that one of the biggest changes is that late calculations will not be permitted and that there must be a cut-off date that is adhered to. Compliance with the PSAP Grant Guidelines is an issue that the Board needs to look at and give more guidance to staff. Mr. Marzolf said that the Board needs to approach compliance from a policy standpoint. Mr. Marzolf commented that other than those findings, the audit went well.

Mr. Andy Powell addressed the Board and gave a ranking of the findings. He said that Revenue is the biggest problem. The PSAP Grant compliance is second and the distribution analysis is the least concern. Mr. Powell said that this year a Performance Analysis was done. In previous years, a Financial Audit was done. Mr. Powell said the only difference between the Performance Analysis and the Financial Audit is the amount of administrative work that has to be done. Mr. Cline asked if APA is satisfied with the findings at this point. Mr. Powell answered yes. Mr. Cline asked if Mr. Marzolf would be prepared to give recommendations at the next Board meeting. Mr. Marzolf said he thought the

Grant Committee would be in the best position to recommend changes to the Grant Program. Mr. Powell said that in their opinion that the Grant Guidelines are good, and they are not opposed to the Grant Committee recommending changes. Mr. Marzolf said that the Carrier changes will be done through the Annual Report as a recommendation to the Legislature.

6. STATE CONTRACTS FOR WIRELESS 9-1-1 TRUNKS

Mr. Knapp excused himself and issued a statement saying “Pursuant to Code of VA §2.2-3114E, I wish to disclose a personal interest in Verizon Communication Incorporated. My personal interest is triggered by (iii) of the definition in §2.2-3101 because I earn a salary from Verizon in excess of \$10,000 per year. Due to this personal interest, I disqualify myself from discussion of – and voting on—this item before the Board because the transaction in question has application solely to Verizon. I ask that this disclosure be reflected in the minutes of this proceeding.”

Mr. Marzolf addressed the Board and said that at the last couple of meetings he mentioned the issue about contracts for 9-1-1 services from Verizon and CenturyLink. Mr. Marzolf gave a brief history as to why the Board has always paid for wireless trunks. Selective router and database charges were being paid for through wireline prior to the contract vehicles. When the contracts were being negotiated with Verizon and Sprint, selective router and database charges were included. In addition a 30% discount was given due to the administrative convenience of the contracts. Fund balance was used to pay for the contracts, but now that the Fund balance is gone, the question is “where is the money going to come from.” Also, “does the Board want to continue the central contracts?” The service is still being consumed by the localities and if the Board does not continue with the contracts, this change would cause somewhere between \$3.75M and \$5M being shifted to the localities. Mr. Marzolf is asking the Board for permission to go back and finish discussions with Verizon to develop firm pricing. Mr. Marzolf said the main issue is whether or not the Board wants to continue the contracts, as the Board is not obligated to continue the contracts. Mr. David Von Moll asked if shifting the costs to the localities would cause more cost to the state overall. Mr. Marzolf said it is a speculation on his part; but it is up to Centurylink and Verizon to determine what they would charge for the service. He thought it would cause more cost to the state and would involve going to the State Corporation Commission for a tariff. Several discussions ensued with questions and comments from Mr. Bobby McAvoy, and Chief Ron Mastin and others of the Board. Mr. Cline asked if any of the Board members object to having staff pursue this issue. Chief Ron Mastin said that he does not object to having staff investigate this issue; however, there are unknown costs, and the Board needs to have all the numbers before any decision is made. Mr. Cline asked for comments from the Regional Facilities. Mr. Steve Basnett and Ms. Pokey Harris made comments. Mr. Cline stated that the Board would like for staff to go ahead and develop a recommendation and to have a summary of information and a

recommendation for the Board at its May meeting.

7. FY11 PSAP GRANT FUNDING CYCLE

Ms. Spears-Dean addressed the Board and discussed how the outcome of the Verizon contract is directly related to the amount of funding that will be available for the FY 2011 grants. Mr. Fred Vincent will be asking the Board to approve the rankings of the Grant Applications later on in the meeting. Staff will have a better idea of how much funding will be available for the FY 2011 grants as negotiations with Verizon progresses. Ms. Spears-Dean said that additional funding may be available for the FY 2011 grants. Ms. Spears-Dean said that presently funding for all PSAP grant awards have been encumbered; however, some grant awards have been closed out with a balance, and some localities have returned unused funds. In addition, staff is requesting guidance from the Board regarding multiple grant extensions and the establishment of a “sunset” rule in advance of the next PSAP Grant Committee meeting. Ms. Spears-Dean said the average lifecycle of a PSAP Grant award is 24 months. Mr. Cline asked for thoughts from the Board. Mr. Pat Shumate addressed the Board and wanted to know “if most PSAPs wrap up their projects and request funding within 24 months, and how many wrap up later?” Ms. Spears-Dean said yes to the first part, but did not know how many localities have taken longer than 2 months. Ms. Spears-Dean said she is asking for this guidance in advance of the May Board meeting when the PSAPs present their grant extensions. Mr. Knapp asked if this guidance was for current grants or future grants. Ms. Spears-Dean said this was for future grants. Lt. Robert Kemmler said he agrees with a time limit to spend the money, but what will be the cut-off. Ms. Linda Cage and Mr. David Von Moll also expressed their opinion.

Ms. Spears-Dean gave the Board an update on on-going efforts of the Public Safety staff. She said that staff is working to build an integrated Grant Management System with the assistance of VITA’s Enterprise Applications Division. Ms. Spears-Dean said that the annual support and maintenance is costly for an outside vendor and that every dollar saved with these efforts makes another dollar available for PSAPs Grants. Ms. Spears-Dean said that VITA and other agencies have expressed an interest in a more universal grant system. This would provide “one stop shopping” for the PSAP constituency and would allow for more oversight among granting agencies, such as OCP, VDEM and OEMS. Ms. Spears-Dean said that she would like to address funding requests from FY 2011 before undertaking any future PSAP Grant Program funding cycles.

8. WIRELESS FUNDING DISTRIBUTION METHODOLOGY

Ms. Spears-Dean addressed the Board and refreshed the Board’s memory on the motion made at the last Board Meeting in January to table further discussion on the Wireless Funding Distribution Methodology until this meeting. Ms. Spears-

Dean said that the Funding Committee is recommending adapting a “calls times cost scenario with a three year average.” Staff was directed to complete the following: 1) Re-verify FY 2009 True-Up Data; and, 2) Review PSAP level analysis of proposed wireless funding scenarios. Staff has completed these items and the analysis has been distributed. However, the budget amendments to amend the timing of the recalc and a three year average of true-up data did not make it into the final Budget Document. Ms. Spears-Dean said that this means that the recalculation will remain in effect at October and the impact of any changes to the current Wireless Funding Methodology would be felt over a twelve month period, rather than a thirty-six month period. Ms. Spears-Dean referred the Board to the hand-out in their Board Packets which is a PSAP-level analysis of the proposed Wireless Funding Methodology Scenarios (see attachment). Ms. Spears-Dean said that it is difficult to identify trends; and that there is a need to look at each PSAP to determine the negative impact (in red) for a complete picture of the impact. Virginia Beach (as well as some other PSAPs – Norfolk, Richmond, Mecklenburg, Montgomery, and Stafford) would like it shown that since their current wireless percentages are lower right now than they could have been, consideration should be given to measure a scenario impact based on what those PSAPs could have been receiving for funding. Ms. Spears-Dean said that since the change to the timing of the recalculation was not accepted by the General Assembly, and to ensure that PSAPs, staff, and Board members have enough time to interpret the results, staff is recommending that a decision be postponed until the May Wireless Service Board meeting. Chief Mastin expressed his concern that the longer a decision is deferred, it would result in the delay of funding to the PSAPs. A motion was made to table the issue until the next Wireless Service Board meeting in May. All approved the motion to table the issue; **15-0-0**.

9. OLD BUSINESS

Ms. Spears-Dean gave a brief overview of the Strategic Initiatives for the Comprehensive Plan. The initiatives are: Develop and apply statewide guidelines to foster a minimum level of 9-1-1 emergency response service across Virginia, and to implement a recruitment and retention program. Ms. Spears-Dean said that staff will be providing an update at the next Wireless Service Board meeting in May.

10. NEW BUSINESS

- **Collaborative Planning Opportunities:** Mr. Cline informed the Board that Dorothy Spears-Dean and Constance McGeorge have been working on several issues. Ms. Spears-Dean addressed the Board and said that the purpose is to collaborate and cohesively approach, future planning for communications interoperability and information sharing efforts. They are supporting a committee that is trying to create a dependable IP-enabled system for both voice and data. They would like to establish and leverage available state GIS architecture when appropriate. They want to create and

share statewide data sets. They want to ensure overlap in each agency's interoperability vision and initiatives. Constance McGeorge addressed the Board and said that she supports this collaboration as the Interoperability Coordinator. Mr. Cline followed up and said that this committee supports a major initiative from the Department of Homeland Security.

- **PSAP Grant Committee Report:** Mr. Vincent addressed the Board and said the Committee met on February 9 to review and prioritize the FY 2011 PSAP Grant applications. The Committee is seeking the Board's endorsement of the ranking spreadsheet and will schedule a future Committee meeting to determine funding recommendations. The funding recommendations will be presented at the May 13th Wireless Service Board meeting. Mr. Bobby McAvoy asked how the Committee determined the rankings. Mr. Vincent said they used the expertise from the representatives on the Grant Funding Committee (PSAP members, etc.) and the PSAP Grant Guidelines. Mr. McAvoy asked if the rankings are consistent with what has been used in the past. Mr. Vincent said yes and even more so than before. Mr. Vincent made a motion that the Board approves the recommendation from the Committee, and Lt. Robert Kemmler 2nd the motion. All approved **15-0-0**. Mr. Cline thanked the Grant Committee on the amount of work they have done.
- **Emergency Grant Requests:** Ms. Dorothy Spears-Dean said she received a grant award amendment request from Eastern Shore, and Mr. Jeff Flournoy is here to present the request. Mr. Flournoy is requesting that funds left over from their grant request be used for a GIS project. Mr. Cline called for a motion from the Board. Mr. Robert Kemmler made a motion to table this request until the Board's May meeting when the Board will know how much money it will have to work with for the fiscal year. Mr. Robert Layman 2nd the motion. All approved the motion to table the request until May's Board Meeting; **15-0-0**.

Westmoreland County: Mr. Norm Risavi addressed the Board and said he spoke with Ms. Spears-Dean last month to discuss an emergency grant to replace equipment they have with Verizon which will no longer be supported. Mr. Knapp (disqualified himself from the discussion). Ms. Linda Cage asked why Westmoreland County did not apply during the regular grant cycle. Mr. Risavi said they did not know the criticality of replacing their existing equipment at that time. Mr. Cline asked if Westmoreland County did not get any relief from the Board, how would they be able to get along? Mr. Risavi said normally yes; however, they are not sure of what is going on with the Legislature right now. They have no one else to turn to for the funds. The County would like for the Board to consider some portion of funding for them to replace their equipment. Ms. Spears-Dean reminded the Board that it does not know how much money is in the fund right now. The recommendation is to table this request until the May meeting. Mr. Pat Shumate asked if

Westmoreland County is requesting money through FY 2010 or FY 2011. Ms. Spears-Dean said it does not matter, as the Board will not know how much money they will have to work with until the May meeting, and that Westmoreland County did miss the December 18 deadline for submission. Ms. Linda Cage said that she understand their concern; however, she does not feel it is fair that some one stands in and sticks their grant in after everyone else has gone through the process. Mr. Vincent commented to the Board that Mr. Risavi is following the correct process by addressing the Board. Mr. Von Moll asked about the process of the emergency grant application. Mr. Cline said that the Board's role is to determine if it meets the criteria of the emergency request. Mr. Robert Kemmler made a recommendation that the Board table this request until the Board's May meeting, and have the Grant Committee make a recommendation to the Board. Mr. Fred Vincent to 2nd Lt. Kemmler's recommendation. All approved; **14-0-0** (Mr. Knapp excused himself).

Caroline County: Ms. Spears-Dean said that she has received an emergency grant request from Carolina County, and Major Scott Moser is here to speak on behalf of Carolina County. Major Moser said that Carolina County applied for a grant for the FY 2011 grant process; however, an emergency has arrived. The current CAD system is no longer viable. Ms. Spears-Dean said that the staff would like to recommend that this request be tabled until the May Board meeting. Lt Kemmler made a motion to table the request until the May Board meeting, and Mr. Knapp 2nd the motion. All approved; **14-0-0** (Mr. Layman had to leave).

Ms. Spears-Dean said that the CMRS Subcommittee met this morning and discussed the FY 2011 US. Cellular funding request and the FY 2009 Closeout Report: The Subcommittee is recommending approving the request and the closeout report. Mr. Von Moll made a motion for approval, and Lt. Kemmler 2nd the motion for approval. All approve; **14-0-0**.

11. PUBLIC COMMENT

Mr. Cline called for public comments at CESC and there were none. Mr. Cline asked the Satellite areas for comments, and there were none.

12. ADJOURNMENT OF THE MEETING

Mr. Cline called for a motion to adjourn the meeting of the Board at 1:20 PM. All approved; **14-0-0**.

Respectfully Submitted:

Terry D. Mayo

(Date)