

CADDO PARISH COMMUNICATIONS DISTRICT NUMBER ONE
Board of Commissioners

6:00 p.m. Tuesday
May 18, 2021

ECC Training Room
1144 Texas Avenue

Board Members Present: Fred McClanahan, Reverend Roy Thomas, Clarence Babineaux, John Robinson, and Jackie Lewis

Board Members Absent: Reverend Roy Thomas, Mike Irvin

Others Present: Martha Carter, Tommy Mazzone, Judy Rachal, (9-1-1 Staff); Charles Grubb (Legal Counsel). Zelda Tucker, Director Martha Bryant (Caddo Sheriff's Office), Amie McFarland and Jon Flair (Heard, McElroy, & Vestal – Auditors), Travis Morehart, CPA (Cook & Morehart)

Mr. McClanahan called the meeting to order and asked Ms. Rachal to please make note of those in attendance. Mr. McClanahan welcomed guests Ms. Zelda Tucker, Director Bryant from the Caddo Parish Sheriff's Office, Ms. Amie McFarland and John Flair (Heard, McElroy, & Vestal – Auditors), Mr. Travis Morehart, CPA (Cook & Morehart).

Mr. McClanahan opened the meeting and asked the Board for consideration of a motion to postpone the Election of Officers, since two members were absent. Mr. Babineaux moved and Mr. Robinson seconded the motion. The Board unanimously agreed to postpone the election of officers.

Mr. McClanahan then asked for a motion to approve the Tuesday, April 20, 2021 meeting minutes. Mr. Robinson moved to approve the minutes as submitted, and Mr. Babineaux seconded the motion. The minutes were unanimously approved.

Mr. McClanahan asked for presentation of the April 30, 2021 compiled financial statement. Ms. Carter stated for the month of April, the District had monthly revenues of \$528,429.06 with monthly expenditures of \$316,180.83, which resulted in \$212,248.23 in revenues over expenditures. As of April 30, 2021, the District had \$7,985,932.50 in cash-in-bank, and Fixed Assets totaled \$40,252,811.21.

Mr. McClanahan asked Ms. Carter for an update on the Independent Auditors' Report, which was prepared by Heard, McElroy & Vestal. Ms. Carter stated that within the agenda package there was a draft copy of the Independent Auditor's Report. Located on page 24, is the Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on the Audit. Ms. Carter stated that on Page 26 was the Summary of the Audit Results and within the audit, Heard McElroy & Vestal reported that the District had complied with all laws, regulations, and contracts applicable to the District. She explained that the external audit did not disclose any material weaknesses in the District's internal financial structure, and the audit tests did not disclose any instances of noncompliance, nor were there any deficiencies cited.

Ms. Carter also stated that included within the audit report was a copy of the Management's Discussion and Analysis (MD&A) Report. She explained that this was an element of the reporting model adopted by the Governmental Accounting Standards Board (GASB) where certain comparative information between the current year and the prior year was required to be presented in the MD&A. She stated that the MD&A was intended to serve as an introduction to the District's basic financial statements. Ms. Carter stated that Mr. Morehart, the District's CPA, was also present at the meeting to answer any questions of the Board relative to the District's financial statements.

Ms. Carter called on Ms. McFarland to present the audit results. Ms. McFarland stated that they appreciated the opportunity to work with the District and commented on how smoothly the audit process went. She also

stated that she appreciated the professionalism and attention that Ms. Carter and her staff give to the audit. Ms. McFarland pointed out the emphasis on the use of significant estimates in the report per footnote 1h on page 13. Ms. McFarland stated that there were no difficulties or disagreements with management, and no audit adjustments were made. Ms. McFarland stated Mr. Flair would be providing some of the highlights of the financial report. Mr. Flair stated that in the Net Position and Changes in Net Position tables, the balance of the unrestricted net position of nearly \$7,000,000 (to meet the District's ongoing obligations to its citizens) was very strong. Mr. Flair discussed the statement of activities and changes in net assets. Mr. Flair also reviewed the District's long-term debt. Mr. Flair provided a budgetary comparison and there was little variation with the exception of capital outlay. He explained that the variation was due to a timing issue and that capital outlay difference would disappear with the completion of the new P25 radio system.

Mr. Flair stated that under the regular supplemental information, it included required supplementary payments to the agency head, as well as the Phase I and II wireless enhancements required by the FCC. Mr. Flair stated that the report covered the District's government-wide financial statements, fund financial statements and notes to the financial statements, as well as other supplementary information in addition to the basic financial statements themselves. Mr. Flair asked if there were any questions. There being none, Ms. Carter asked Mr. Morehart if he had any questions or comments. Mr. Morehart stated that he was pleased that the District's telephone surcharge revenues remained steady during the COVID-19 pandemic and that the District had completed another audit, without any deficiencies cited.

Mr. McClanahan asked for a report on the status of the P25 Radio System Project. Ms. Carter stated that progress was being made on the list of outstanding items that still needed to be completed prior to the closeout of the radio project. She reported that the old equipment and all the cabling associated with the SmartNet system had been removed from the 9-1-1 site, and the cabling at all of the other sites had been removed as of May 14th. Ms. Carter reported that the R56 independent audit had been completed. She explained that an R56 details the industry standard requirements for the installation of communications infrastructure and facilities. She stated that any necessary corrective action from the audit would have to be completed prior to the site inspection by the District's radio engineering firm, OCG. She stated that a true up or reconciliation still needed to be completed of the equipment that had been installed or distributed to agencies and compared against the contracted amount of equipment or any change orders that had been issued. She stated that a meeting with the Motorola System Maintenance group still needed to occur to discuss trouble reporting/trouble resolution procedures. Ms. Carter explained that once the system was accepted, the system would move into a one-year warranty period and then into a maintenance period and that procedures needed to be developed for trouble reporting and what the network monitoring that Motorola would be providing would consist of. Ms. Carter further explained that Motorola must provide a comprehensive punch list of outstanding items and system documentation to the District. She stated that this punch list would then be reviewed by District staff and the District's engineering consultant to ensure that the list included all outstanding items, which must be completed prior to system final acceptance. She reported that a projected Final Project Acceptance had been scheduled for July 2, 2021; however system acceptance would only occur after the punch list had been verified and all outstanding items had been resolved for completed. She stated that once that occurs, the District would sign a Final System Acceptance Certificate, and a final payment would be issued pursuant to contract terms.

Mr. McClanahan asked for a motion to consider approving the receipt of the External Financial Audit for the year ending December 31, 2020 as submitted by Heard McElroy & Vestal, LLP. Mr. Babineaux moved, and Mr. Lewis seconded the motion. The motion was unanimously approved.

Mr. McClanahan asked Ms. Carter for any remarks before consideration of the Resolution approving Amendments to the Operating and Capital Outlay Budget for the District for the period beginning January 1, 2021 and ending December 31, 2021. Ms. Carter stated that proposed amendments were included within the agenda package for the Board's consideration. She explained that the proposed amendments were necessary so that the budget would reflect the results of the external audit, which was recently completed by Heard McElroy & Vestal. Ms. Carter stated that the proposed amendments were based upon anticipated increases and/or decreases in revenue and expenditures within each line item. She stated that these amendments incorporated the receipt of revenue from twelve new telecommunications service providers, who had come into

the Caddo Parish market since the budget had been originally adopted in December, 2020. She explained that new revenue line items had been created to reflect anticipated annual revenue, and those revenue projections were based upon the first month's revenue received from each carrier. The proposed amended budget reflected a decrease of \$10,881 in the Beginning Fund Balance from \$9,002,006 to \$8,991,125 as a result of the audit.

Ms. Carter further stated under the Capital Outlay Section of the budget for System Enhancements an additional \$200,000 had been added to the P25 Radio System line item in anticipation of the final change order associated with the reconciliation of final radio equipment inventory. Also, an additional \$200,580 had been added to the Mobile Data Infrastructure line item in anticipation of the public safety agencies migrating from the old RF mobile data infrastructure to the new public safety broadband network or FirstNet. She reminded the Board that in 2018, the Board approved \$960,000 to fund new modems and antennas for the migration from the District's existing mobile data infrastructure to the new commercially provided public safety broadband existing mobile data infrastructure to the new public safety broadband network, FirstNet. She stated that this appropriation was to replace the existing parish-wide mobile data infrastructure, which was funded by 2004 and 2007 COPS grants, which was using the District's radio infrastructure and frequencies by migrating the agencies to the FirstNet network, which would allow the units in the field to receive and transmit photos, have quicker data receipt and data transfers. Ms. Carter stated that the demands for data and remote accessibility to multiple databases has increased and the existing mobile data radio network could no longer keep pace with the demands due to the bandwidth of the network. Budgeting for migration was contingent upon the public safety agencies agreeing to fund the monthly recurring airtime fees of \$17.24 per month. Ms. Carter stated that at the time of budget preparation for 2021, the District was unsure how many agencies would be able to migrate. As a result of recent commitments by the public safety agencies, an order for 350 routers and antennas had been placed, which would migrate almost all of the agencies to the new network. The additional \$200,580 would be needed to fund the routers and installation. This would leave a balance of \$98,703 out of the original \$960,000 for future purchases. Ms. Carter summarized that the budget amendments as proposed would reduce the 2021 Ending Fund Balance by approximately \$400,597 to \$3,735,961. She stated that Mr. Morehart had reviewed the budget amendments and was comfortable with the proposed changes and that they would not place the District in a negative position as far as the District's operating reserves.

Mr. McClanahan asked if there were any questions from the Board concerning the proposed budget amendments. There being none, he asked the Board for a motion to consider Resolution No. 4 of 2021 adopting amendments to the Operating and Capital Outlay Budget for the District for the period beginning January 1, 2021 and ending December 31, 2021. Mr. Lewis moved to adopt the resolution amending the budget, and Mr. Babineaux seconded the motion. The motion was unanimously approved.

Mr. McClanahan asked the Board for consideration of a motion to adopt Resolution No. 5 to retain the legal services of Ms. Zelda W. Tucker, as well as for the approval authorizing Ms. Carter to execute the retainer agreement on behalf of the Caddo Parish Communications District. Mr. Babineaux made the motion to adopt the resolution, and Mr. Anderson seconded the motion. The motion was unanimously approved. Ms. Tucker thanked the Board, and stated she was looking forward to working with the District.

Mr. McClanahan asked Ms. Carter for her report of old business. Ms. Carter reminded the Board that according to state statute, the Communications Districts of the state of Louisiana were required to submit a consolidated report on statewide 9-1-1 communications activity to the House Committee on Commerce and to the Senate Committee on Commerce, by May 1st of each year. Ms. Carter stated that all 64 parishes had reported their activity, and the report had been sent on Tuesday, April 27, 2021 both electronically and via certified mail, to Representative Paula Davis and Senator Ronnie Johns. Ms. Carter wanted to make sure that the Board had received their copy electronically of the final report and to let her know if they had not.

With no further business to be brought before the Board, Mr. McClanahan adjourned the meeting.