



**Caddo Parish Communications District Number One Board of Commissioners  
Tuesday, May 14, 2019 Meeting Minutes**

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**Board Members Present: Fred McClanahan, Van Anderson, Clarence Babineaux, John Robinson, and Jackie Lewis**

**Board Members Absent: Mike Irvin, Rev. Roy Thomas**

**Others Present: Martha Carter, Howard Adkins, Judy Rachal, Arthur Meacham, Mike Culbertson, and Richard Stewart (9-1-1 Staff); Charles Grubb (Legal Counsel) Guest: Director Martha Bryant - Caddo Parish Sheriff's Office, Travis Morehart, CPA Cook and Morehart, Aimee McFarland and Jon Flair – Heard McElroy & Vestal, LLP, Alderwoman Josephine Robinson – Town of Greenwood**

**Mr. McClanahan called the meeting to order and welcomed guests, Director Martha Bryant with the Caddo Parish Sheriff's Department, Mr. Travis Morehart, CPA with Cook and Morehart, Ms. Aimee McFarland and Mr. Jon Flair with Heard, McElroy & Vestal, LLC, and Alderwoman Josephine Robinson – Town of Greenwood.**

**Mr. McClanahan asked for consideration of a motion to approve the Tuesday, April 16, 2019 meeting minutes. Mr. Babineaux moved to approve the minutes as submitted and Mr. Lewis seconded the motion. The motion was unanimously approved.**

**Mr. McClanahan asked for a report of the monthly financials for the month of April. Ms. Carter stated for the month of April, the District had monthly revenues of \$628,985.10 with monthly operational expenditures of \$214,755.83 which resulted in \$414,229.27 in revenues over expenditures. Cash on Hand as of April 30, 2019 was \$11,237,813.29 with Total Fixed Assets - \$37,280,347.24.**

**Mr. McClanahan asked Ms. Carter for a report on the independent auditor's report as submitted by Heard McElroy & Vestal, LLP. Ms. Carter asked the Board to refer to page 25 of the summary of the audit results. She explained that within these reports, Heard, McElroy & Vestal states that the District had complied with all laws, regulations, and contracts applicable to the District. She stated 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 stated that the District's staff and CPA work hard each year to make sure there are not any instances of noncompliance. Ms. Carter stated that in her opinion the staff of Heard, McElroy, and Vestal act professionally and does a wonderful job performing the District's audit.**

Ms. Carter re-introduced Mr. Flair and asked him for his comments on the audit. Mr. Flair thanked Ms. Carter and called upon Ms. McFarland to speak on their behalf. Ms. McFarland stated that they wanted to express their appreciation to the Board and management for the professionalism and attention to detail that the District gave to the audit process. She reported that one adjustment had been identified by the District before the audit began, which was a late billing from a vendor, but was considered by the Auditors as an audit adjustment. Ms. McFarland stated that the District had set an aggressive timeline earlier in the year and required teamwork from both the Auditing and District staffs. Ms. McFarland asked Mr. Flair for his comments. Mr. Flair stated as part of obtaining reasonable assurance about whether the District's financial statements were free from material misstatement, tests were performed on its compliance with certain provisions of laws, regulations and material misstatement.

Ms. Flair stated the purpose of the audit report was solely to describe the scope of their testing and internal control and compliance, and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. Mr. Flair agreed with Ms. McFarland on the one-time audit adjustment for a late billing. Mr. Flair discussed the change on applying agreed-upon procedures. For the 2018 audit process, any SAUP, which was reviewed in 2017, and there were no exceptions, that AUP did not have to be reviewed again in 2018.

Mr. Morehart was called upon by Mr. McClanahan to give his report of the independent accountant's report on applying the agreed-upon procedures. Mr. Morehart explained that the State Legislative Auditor had been inundated with calls from auditors to make changes to the SAUP's processes that were instituted in 2017 and the Legislative Auditor made changes to the SAUPs. Ms. Carter explained within the agenda package that out of the eleven (11) SAUP's, (8) eight reportable processes were reviewed. There were two exceptions being noted related to the fact that the same individual, who processes payments for the District, also mails the payments. Ms. Carter stated that because the invoices were reviewed and approved prior to a check being issued, and then the payment was approved and signed by the Executive Director and two different Board of Commissioners, the District's CPA and her felt that the internal controls were sufficient to insure that payments were only being issued to the appropriate vendor for the appropriate amount. Ms. Carter stated that to segregate the duties further would require a third employee to then take the signed and approved checks and attached them with payment documentation and then mail to the appropriate vendor. Ms. McFarland stated that SAUP's were very specific and there was no leeway in professional judgment by the auditors. Mr. Morehart explained that pointing out these exceptions indicated that the auditors were doing their jobs thoroughly checking these processes.

Mr. McClanahan asked for a motion to approve the receipt of the External Financial Audit for the year ending December 31, 2018, for the Caddo Parish Communications District Number One as submitted by Heard McElroy & Vestal, LLP. Mr. Babineaux made the motion to approve the receipt of the External Financial Audit and the motion was seconded by Mr. Robinson. The motion was unanimously approved.

Mr. McClanahan asked for a report on approval of amendments to the Operating and Capital Outlay Budget for the District for the period beginning January 1, 2019 and ending December 31, 2019.

Ms. Carter stated that within the agenda package there was a copy of the 2019 Operating and Capital Outlay Budget for the District along with some proposed amendments for the Board's consideration. She stated that these proposed amendments were necessary so that the budget would reflect the results of the external audit, which was recently completed by Heard

**McElroy & Vestal LLP. The proposed amendments were based upon anticipated increases and/or decreases in revenue and expenditures within each line item. She explained that line items that reflected no change would be expended or revenue received by the end of the year as previously budgeted.**

**Ms. Carter stated that the proposed amended budget reflected a decrease of \$26,766 in the Beginning Fund Balance from \$11,286,559 to \$11,259,793 as a result of the audit. She further stated that the proposed amendments incorporated new revenue received, since budget approval in December, 2018, from the establishment of eight new telecommunications service providers in Caddo Parish. She stated 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. She explained that the proposed amendments would decrease the anticipated revenue by approximately \$23,947 from \$15,750,772 to \$15,726,825.**

**In summation, Ms. Carter stated, the budget amendments as proposed would decrease the 2019 Ending Fund Balance or Operating Reserves by approximately \$23,947 from \$4,477,657 to \$4,453,710.**

**Mr. McClanahan asked for a motion to adopt Resolution 3 of 2019 to approve amendments to the Operating and Capital Outlay Budget for the District for the period beginning January 1, 2019 and ending December 31, 2019. Mr. Lewis made a motion to adopt the proposed amendments to the Operating and Capital Outlay Budget and Mr. Babineaux seconded the motion. The motion was unanimously approved.**

**Under Old Business, Mr. McClanahan inquired about the status of the City of Shreveport's old Fire station #17 and the possibility of the District purchasing that property. Ms. Carter reported that the City was still waiting on receipt of the new appraisal. Mr. Grubb explained that the new appraisal would remove the section of leased property that is currently under a 99-year lease for the District's tower site and include an easement for the District to be able to have access in and out of the tower site.**

**Mr. McClanahan asked for a report on ACT 590 of 2016 – Consolidated Report of Statewide 9-1-1 activity. Ms. Carter stated that on Thursday, April 25th the Consolidated Report of Statewide 9-1-1 Activity had been submitted on behalf of all the communications districts in the state of Louisiana as required by May 1st of each year. She stated that all 64 parishes reported. The report was sent electronically to Representative Carmody, Chairman of the House of Representatives Commerce Committee and to Senator Martiny, Chairman of the Senate Commerce, Consumer Protection, and Internal Affairs Committee. She stated that copies of the report had been sent to both committee chairs via certified, return receipt requested mail. Ms. Carter reminded the Board that this annual financial reporting from all the 9-1-1 Districts in the state of Louisiana was a stipulation of bills that were passed in 2016, to receive increases in 9-1-1 telephone surcharge fees.**

**Under Old Business, Ms. Carter continued by referencing a letter that was mailed to the Board with a copy of the letter that was sent to all the public safety agencies concerning the migration of the existing mobile data system's infrastructure from the Caddo Parish 9-1-1 District's private radio frequency (RF) network to a commercially provided public safety broadband network. Ms. Carter explained that in 2004 and 2007 the District received over \$6,000,000 in grant funding through a partnership with the Shreveport Police Department for the development of a parish-wide mobile data infrastructure using the District's existing radio infrastructure's network and radio frequencies. Ms. Carter stated that the District's existing mobile data network could no longer keep pace with the data access and demands due to the bandwidth or throughput of the radio**

network. Ms. Carter further stated in order to migrate from the District's private RF data network, due to the budget restrictions, it would require that each agency agree to fund the monthly recurring airtime fees. With the 9-1-1 District's other projects, the District simply could not in her opinion fund the recurring monthly airtime costs; however, the District's Board of Commissioners budgeted \$960,000 within the 2019 Capital Outlay budget for the purchase of new wireless routers and antennas that would be used to support the migration to this new infrastructure.

Ms. Carter explained in detail that the existing mobile data radio network can no longer keep pace with the demands due to the bandwidth of throughput of the radio network. Additionally, due to the bandwidth limitations, the District cannot upgrade the existing CAD system to the latest software version that the District utilizes to send incident information to the first responders in the field, nor can the District upgrade to the latest version of mobile data software that was utilized in the first responders' vehicles. The newest version of mobile data software was not designed to operate on a RF network.

Ms. Carter stated that in the summer of 2018, the 9-1-1 District conducted two separate trials using two commercial wireless networks to compare coverage and software performance against the District's existing mobile data system. The trials were used to perform an evaluation/feasibility of migrating the District's mobile data system from our current RF network and infrastructure to a commercial wireless network. These trials were successful in proving that the speed and performance of existing software were improved, as well as the speed of access to different databases, which increased performance for the user agencies. Based upon the test results from these tests, the 9-1-1 District was proposing to enter into an agreement with AT&T's FirstNet's public safety broadband network to provide the data network or infrastructure to replace the aging RF network that is currently being utilized.

Ms. Carter explained that based upon data usage, the 9-1-1 District was proposing that each mobile data user would get 1 GB of data per month for an airtime fee of \$15.93 plus \$3.24 (regulatory fees) for a total of \$19.17 per month per air card or mobile data unit. The plan was based upon using a "pooled data" solution.

Ms. Carter stated that some of the agencies were ready to migrate now; others were being asked how many units they could migrate this year, and how many could be migrated next year, with all user migrated off the system by the end of 2020.

Ms. Carter explained that the 9-1-1 District would be the account holder with FirstNet for the airtime costs. The monthly bill would be broken down or detailed by agency. Under the proposed plan, the 9-1-1 District would pay the monthly bill and the agency would then be sent a copy of their agency's bill. Monthly usage reports would be generated to detail data usage by department and/or end user level. The agency would then reimburse the 9-1-1 District for their agencies' charges.

Mr. McClanahan stated that he understood that this was a complicated issue, but most of the agencies were on-board with migrating to the new mobile data system and appreciate what the District was trying to do to meet their data needs by providing them an affordable means to get the new technology.

Mr. McClanahan asked if there was any additional business to be brought before the Board. With no additional business, the meeting was adjourned.

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