

CADDO PARISH COMMUNICATIONS DISTRICT NUMBER ONE
Board of Commissioners

6:00 p.m. Tuesday
November 17, 2020

ECC Conference Room
1144 Texas Avenue

Board Members Present: Mike Irvin, Jackie Lewis, Clarence Babineaux, and John Robinson

Board Members Absent: Fred McClanahan, Reverend Roy Thomas, Van Anderson

Others Present: Martha Carter, Tommy Mazzone, Judy Rachal, (9-1-1 Staff); Charles Grubb (Legal Counsel); Guest: Director Martha Bryant (Caddo Parish Sheriff's Office)

Mr. Irvin, in the absence of the Chairman, as Vice-Chairman of the Board of Commissioners, called the meeting to order and asked Ms. Rachal to notate who was present at the meeting. Mr. Irvin then recognized guest, Director Martha Bryant from the Caddo Parish Sheriff's Office.

Mr. Irvin asked for a motion to approve the Tuesday, October 20, 2020. Mr. Babineaux moved to approve the meeting minutes as submitted. Mr. Lewis seconded the motion. The motion was unanimously approved.

Mr. Irvin called on Ms. Carter to provide a report on the October 31, 2020 compiled monthly financial statement. Ms. Carter stated for the month of October, the District had monthly revenues of \$416,665.90 with total monthly expenditures of \$262,452.89, which resulted in \$154,213.01 in revenues over expenditures. As of October 31, 2020, the District had \$9,091,660.88 in Cash-in-Bank and Fixed Assets totaled \$39,942,598.11. She reported that as of the end of October, the District was within 8.94% of estimated anticipated revenue for 2020, with three months of revenue yet to be received.

Mr. Irvin asked Ms. Carter for a report on the proposed amendments to the 2020 Operating and Capital Outlay Budget. Ms. Carter stated that a copy of the current 2020 Operating and Capital Outlay Budget with proposed changes had been included within the agenda package. Ms. Carter stated the Budget/Investment Subcommittee met on Friday, November 6th to review the proposed budget and was submitting the following amendments for the Boards consideration for adoption during the December 8, 2020 Board Meeting. Ms. Carter explained that the proposed amendments were based upon anticipated increases and/or decreases in revenue and expenditures within each line item. For clarification, line items, which did not reflect any changes, would be expended by the end of the year as originally budgeted. She stated that communications carriers, who had either entered or exited the Caddo Parish market since the May 19, 2020 Budget Amendment was adopted, had been highlighted in yellow on the proposed budget. Additionally, decreases to revenues or expenditures were reflected in red font, and increases were shown in black font. Ms. Carter further explained that revenue categories within the budget were divided into three subcategories, revenue from wireline surcharge fees; revenue from wireless surcharge fees and miscellaneous revenue. Miscellaneous revenue included revenue received from tower lease rental fees, land lease income, fees from radio system users, reimbursement of radio equipment costs, reimbursement of 9-1-1 surcharge fees from Bossier Parish and interest income. Ms. Carter stated that since the budget had been adopted in December 2019, there had been four wireless carriers and nine wireline carriers enter the Caddo Parish market. During this same time period, one wireless carrier and five wireline carriers had exited the Caddo Parish market. Ms. Carter stated that it was important to note that the movement of carriers in and out of the Caddo Parish market, it was challenging to anticipate a full year's revenue without consistent remittances. She explained that there were carriers that come into Caddo Parish to test the market and some may leave while other carriers merge or our purchased by larger communications companies.

Ms. Carter further explained that within the May 19, 2020 budget amendment, a new line item had been created under Miscellaneous Revenue to include the reimbursement of monies to the District from local governmental entities that the District purchased radios for in anticipation of the new P25 radio system.

Through intergovernmental agreements, local governments agreed to reimburse the District the purchase price of the radios in order to receive benefit of the District's competitive contract pricing. She stated that some agencies would be paying the full amount in one-lump sum payments upon invoicing; others would be paying monthly over time. Originally for 2020, \$56,765 in reimbursement funds had been anticipated; however, she stated that the majority of agencies had decided that they wanted to reimburse the District for the entire amount of the cost of the new radios. As a result, the proposed amended budget reflected an increase of \$153,430 in additional revenue for a total of \$210,195 in radio equipment reimbursement costs.

Ms. Carter stated with the District having more idle funds to invest due to the delay of the radio system where contract milestones were not achieved, and contract payments were not made, the District had more idle funds to invest which resulted in additional accrued interest earnings of approximately \$7,000.

In summation, Ms. Carter stated the proposed revenue amendments would increase revenue projections by \$124,960 in 2020. She stated that looking at the impact that COVID-19 virus pandemic possibly had on surcharge fees compared with actual/audited revenue posted for 2019, wireline revenue for 2020 may decrease by approximately 3.78% or \$48,948. She reported that if wireless revenue actuals from 2019 were compared with projected wireless revenue for the year ending 2020, wireless revenue would increase by 1.75% or \$50,206 over 2019 actuals. She stated that she could not say whether the COVID-19 pandemic had negatively impacted the revenue from the District's telephone surcharge fees.

Ms. Carter reminded the Board by state statute the service providers could remit revenue payments to the District on a quarterly basis and were required to submit the revenues within 60 days of the close of the quarter. She stated that most of the service providers remitted payments on a monthly basis, one month in arrears; however, some service providers remitted revenue on a quarterly basis. She stated, as a result, final closeout of the District's financials would not occur until sometime within the first quarter of 2021. She provided the example of when closing out the financial statements for the year 2019, the District posted \$963,144.75 in accounts receivables during the 1st quarter 2020, which were actually December's or 4th quarter 2019 revenues.

Ms. Carter stated under the Expenditures section of the budget, expenditures were broken down into the following categories: Personal Services; Materials and Supplies; Contractual Services; Systems Enhancements; ECC Facility Refresh; Land Acquisition and Debt Services. The COVID-19 virus pandemic affected the categories of Membership, Training and Schools and Supervisory Training, which were not expended as originally budgeted due to travel restrictions. She stated that the Overtime and Accrued Leave Benefits line items would be underspent by approximately \$55,000. She reported that the overall Personal Service Category would be underspent by \$75,940. She stated that within the Materials and Supplies category, the Postage, Consumables, Banking Fees and Furniture and Fixtures line items would not be expended as originally planned. Overall, the Material & Supplies Category would be underspent by \$8,700. She stated that the Contractual Services Category reflected an increase in anticipated expenditures by \$5,100. She explained that the Telephone Network Facilities line item experienced a \$65,000 increase due to added network services. Additionally, the District's General Liability line item would experience an increase of approximately \$2,000 due to coverage changes and the addition of a liability umbrella policy.

Ms. Carter stated under The System Enhancement section of the Capital Outlay Category of the Operating Budget would be underspent by approximately \$2,395,772. Due to time constraints and availability of staff, the CAD upgrade, CAD workstation replacement, and implementation of a Next Generation 9-1-1 system were placed on hold until the radio system had been implemented and those funds had been incorporated into the proposed 2021 Capital Budget for the Board's consideration. She stated that it was anticipated that final payment would be made on the Motorola contract for the new P25 radio system, upon final system acceptance prior to the end of December.

Ms. Carter stated the Mobile Data Infrastructure Upgrade line item had been reduced by \$390,170 from the original estimate of \$960,000. Due to problems experienced with the lack of tower coverage in the downtown area and the routers inability to perform carrier aggregation, the project had been suspended earlier in the

year. Once the problem was corrected, the project had been resumed; however, she stated that it would not be completed in 2020 and those unexpended funds had been carried forward into the 2021 budget for the Board's consideration.

Ms. Carter stated under the ECC Facility Refresh line item, due to the expanded scope of the project, the funds originally budgeted would be carried forward into the 2021 Operating Budget for the board's consideration.

In summation, Ms. Carter stated anticipated revenue earnings would increase by approximately \$124,960, and expenditures would be reduced by \$2,590,312. The anticipated 2020 Ending Fund Balance would be increased by approximately \$2,715,272 from \$4,261,734 to \$6,977,006. She stated that the proposed amendments would be presented during the December 8, 2020 Board Meeting for the final approval.

Mr. Irvin asked Ms. Carter for a report on the proposed 2021 Operating and Capital Outlay Budget. Ms. Carter stated that the 2021 Beginning Fund Balance for the Operating Budget would be approximately \$6,977,006. Ms. Carter referenced projected revenues from the larger communications service providers and the Louisiana Department of Revenue for pre-paid wireless. She pointed out that additional revenue would be derived from existing tower rental agreements with Cingular/Bell South, Verizon, and Bluebird Wireless for the use of two of the District's towers. She stated that total anticipated revenues for 2021, including the fund balance or operating reserves, would be approximately \$11,517,666. Ms. Carter stated that she wanted to Board to know that that the revenue projections within the proposed budget did not include any anticipated growth in wireline or wireless service providers or subscribers. She stated that the projections were based upon actual revenue received in September, 2020. Ms. Carter stated that the District should receive approximately \$591,748 in pre-paid wireless surcharge fees in 2021. Reimbursement from the Bossier Parish Communications District for the collection of the 9-1-1 surcharge fees on those subscribers who were located in Bossier City, but were also located within the City of Shreveport, would be approximately \$9,645. Ms. Carter explained that based upon current contracts with local governmental agencies, the District would receive \$16,140 in radio usage fees. She stated that for 2021, the District should receive an estimated \$177,138 in reimbursement funds for the purchase of radio equipment, and any agencies reimbursing over the 36-month period with the final balance would be due at the end of 2022. She stated that the projected interest earnings of \$36,000 were based upon the premise that the District would maintain the current monthly balance in the money market checking account, and the monthly income and operating expenditures would be maintained as budgeted and idle funds would be invested in government approved investment instruments.

Ms. Carter further stated the District's investment in Fixed Assets as of September 30, 2020 totaled \$39,942,598.11. The District's total assets, including cash-on-hand, investments and fixed assets as of September 30, 2020 were \$48,523,229.00.

Ms. Carter explained the Expenditures' Categories within the proposed budget were: Personal Services; Materials and Supplies; Contractual Services; Systems Enhancements; ECC Facility Refresh; and Debt Services. Within the Personal Services Category of the proposed budget, salaries for the District's staff reflected a cost-of-living increase of 1.3% and a 2.0%. She stated that these percentages were based upon information received from the Bureau of Labor Statistics. She stated that the Social Security Administration was increasing 1.3% to social security recipients. She stated that the budgetary difference between the 1.3% and the 2% increase was \$5,229. She stated that the proposed retirement costs of \$65,000 for 2021 were based upon the District's contribution 7.5% of employees' salaries into the District's Defined Contribution/Deferred Compensation Retirement Plan.

Ms. Carter stated since 1989, the District has provided health care insurance to the District's employees as a paid benefit for the employee and their families. Ms. Carter explained that the District's proposed 2021 insurance premiums under the current plan was going to increase 17%. She stated as a result, she asked the Budget Subcommittee to allow her to conduct more research prior to a final recommendation being made to the Board. As a follow up on discussions from the Budget Subcommittee meeting on November 6th regarding the increase in health care costs as projected for the proposed 2021 budget, Ms. Carter explained that Mr. Mazzone and her had met on November 11th with the District's health care insurance consultant, Scott

Alexander with Benefit Consulting Services, and reviewed five (5) different health care plan options. Three (3) of the health care plans were different health care options within BlueCross and the other health care providers' plans reviewed were Humana and United Health Care.

Ms. Carter explained that the challenge that the District faced was a direct result of the District's plan being grandfathered in 2010 when the Affordable Health Care Act was enacted. She stated that in 2010, she made a choice to try to provide premium protection to the District as the employees were aging. She stated that three of the District's employees were eligible for Medicare, and under the District's existing grandfathered plan, BlueCross gives a 50% carve out or discount rate for those Medicare employees, so the District only paid ½ of the premium cost for those employees. She stated that if the District changed plans and came out from under the grandfathering protection, the premiums would automatically increase for those three Medicare aged employees, but the District would also experience an additional 10% increase on the premiums for the non-Medicare age employees. The District's existing health care plan's benefits package was compared with Humana and United Health Care. The Humana plan would result in a 37% increase over the existing premiums, and the United Health Care plan would be a 41% increase. Ms. Carter explained that if the District reduced the benefits such as increasing deductibles and amount of copays, the other BlueCross plans would still be at a minimum of a 15% increase and 28% increase if the District migrated out from the grandfathered plan. Under a grandfathered plan, the premiums were based upon the age of the employee and not spouse or family. Under a non-grandfathered plan, the spouse and number of children were counted and tied to premiums. Ms. Carter explained that if the District did nothing, the proposed health care plan would increase 17% in 2021, of which 3.0% was a direct result of the Health Insurance Tax (HIT), which was levied by the Affordable Care Act, which cannot be controlled. The other 14% increase would be a direct result of employees' claim history versus premiums paid.

Ms. Carter stated that until the majority of the District's staff became Medicare eligible or hired younger employees, options were limited unless the District began the practice of the employees contributing a % of the cost of the health care premiums. She stated that the Budget Subcommittee would be making a final recommendation to the full Board for their consideration prior to the December 8th public hearing on the budget.

Ms. Carter stated that the Overtime/Accrued Leave Benefits line had to budget funds in anticipation that if an employee separates from the District's employment, there would be sufficient monies available to pay the employee for any accrued leave, such as unused vacation time.

Ms. Carter stated the Training and Schools line item reflected \$30,000 based upon estimates on the re-certification training that would have to be conducted for communications officers.

Ms. Carter stated in summary, the proposed total anticipated costs for contractual services would be \$2,220,151. She stated that under the Capital Outlay Category of the proposed 2021 Operating Budget \$300,000 had been designated in the System Enhancement line item for the implementation fees associated with the software upgrade of the District's Intergraph CAD system. Additionally, monies had been set aside to fund replacement of CAD servers and workstations if necessary due to the CAD software upgrade.

Ms. Carter stated due to the complexity of the District's existing network and the new Next Generation 9-1-1 technological solutions, the District entered into a professional services agreement with OMNICO to develop equipment and system specifications and the release of Request for Proposals. The budgeted amount for the system replacement was \$1,500,000. She stated that the Mobile Data Infrastructure Upgrade line item included monies (\$423,920) to fund the balance of the routers and antennas to all of the existing mobile data users, who intended to fund the monthly recurring air time costs.

Ms. Carter stated provisions had been made for the District's debt services payments for the 2011 Series of Certificates of Indebtedness and the 2017 Series of Indebtedness. Total debt service payments for 2021 would be \$1,140,000. She reported that the 2011 Series Certificates of Indebtedness, which were issued to fund a facility expansion project would be retired in December 2021.

In summation, Ms. Carter stated total expenditures for 2021 would be approximately \$7,375,879. She stated that if the District expended all monies as budgeted, the District would have an Ending Fund Balance of approximately \$4,141,787.

Ms. Carter reminded the Board that the December Board meeting would be held on Tuesday, December 8, 2020, at 6:00 p.m., at which time the Public Hearing would be conducted prior to final consideration and approval of the 2021 Operating Budget by the Board. She stated that the Board must adopt a budget no later than fifteen days prior to the end of the fiscal year and a public hearing must be conducted.

Mr. Irvin asked Ms. Carter for an update on the P25 radio system project. Ms. Carter stated that on October 28, 2020, the District's new parish-wide P25 Phase 2 digital radio system became fully operational for all public safety agencies within the parish. She reported that at 3:00 a.m. Motorola began the migration of the District's infrastructure to the new radio system. She stated that it took approximately 21 minutes to move all of the cables at each of the tower sites, and during that time period, the old system experienced a few busy conditions, but overall the migration to the new infrastructure was smooth and efficient. She stated that the Caddo Parish Sheriff's Office, the Shreveport Police Department, all parish fire districts and small municipal police departments were able to migrate their users fairly quickly and efficiently, however; it took the Shreveport Fire Department most of the day to migrate their operations due to unusually high call volume and dispatch activity. She stated that all radios and radio consoles were not migrated until after 2:00 p.m. Ms. Carter reported that on October 29th, the District's staff began receiving complaints that coverage reception was bad, as well as every other transmission was not being received. After meeting with Motorola, technicians were deployed to the tower sites upon the suggestion of the District's radio manager. The technical team found that the receive antenna cable distribution system was disconnected from some (but not all) of the channels that were cut over to P25 system. One single cable that distributed the receive antenna system to the odd channels had not been connected to the global receive system at every site. Once the source of the problem was discovered, it was corrected with a few hours.

Ms. Carter stated on Friday, October 23rd prior to the system conversion, the District was notified by Motorola of a programming error in the new APX portable radios. The error would not impact communications functions on the primary digital system, and was not considered to be a safety concern. However, it needed to be corrected. Technicians from Shreveport Communications were required to retouch every radio as soon as possible. To accomplish that, agencies were asked to bring their portable radios to each of the reprogramming sites that were set up to reprogram the agencies' mobiles that had to be reprogrammed anyway to be converted from the old analog system to the new P25 system. Ms. Carter stated the next phase of the radio project involved the decommissioning of the old SmartNet analog radios system. She stated that the decommissioning should be completed on Wednesday, November 11, 2020. At that time, the old analog system would no longer be working, and any user agency still using the old system would not be able to communicate. She stated that multiple letters and emails had been sent to all radio user agencies regarding the decommissioning.

Mr. Irvin asked if there was any old business. Ms. Carter said there was no old business.

Mr. Irvin asked if there was any new business. Ms. Carter reminded the board that required training on the Prevention of Sexual Harassment and on the Code of Governmental Ethics would take place for the Board of Commissioners and 9-1-1 Staff on Tuesday, December 8, 2010 from 3:00 p.m. to 5:00 p.m.

Ms. Carter stated the Louisiana Code of Governmental Ethics training was available on-line and she asked if the Board members decided to take the on-line course to print out of the certificate of completion for the District's files and for the Board members' records. Ms. Carter asked Mr. Grubb to explain about the on-line course for Prevention of Sexual Harassment for those members, who could not attend the in-person training session. Mr. Grubb stated that if board members wanted to take the prevention of sexual harassment training on-line that he could provide them with a website link and login.

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

