

NORTHEAST ARIZONA REGIONAL DISPATCH CENTER GOVERNING BOARD MINUTES
December 12, 2016, 2:00 p.m.

PRESENT: Jim Morgan, Chairman; Paul Watson, Vice-Chairman; Ed Muder, Member; Keith Johnson, Member; and Pat Nichols, member were present in person.

ALSO PRESENT: Ron McArthur, CEO Summit Healthcare; Jenny Hansen, NARDC Regional Dispatch Director; Nick Patton, NARDC Attorney; F. Morgan Brown, City of Show Low Attorney; Jason Moore, Navajo County Deputy County Attorney; Ken Dewitt, Navajo County IT Director; Paige Peterson, Navajo County Interim Finance Director; Justin Johnson, Show Low Finance Director; Brad Provost, Show Low Commander of Operations; and Dan Barnes, Pinetop-Lakeside Commander of Operations.

Call to Order: At 2:05 p.m.

Call to the Public: There were no comments from the public.

Approval of Minutes: November 21, 2016: **Vice-Chairman Watson made a motion** to approve the November 21, 2016 minutes; motion seconded by **Mr. Muder**. Vote unanimous approving the motion.

Executive Session: At 3:47 p.m., **Vice-Chairman Watson made a motion** to enter into executive session; motion seconded by **Chairman Morgan**. Vote unanimous approving the motion. The Board may meet in executive session pursuant to A.R.S. § 38-431-03(A)(3) and §38-431-03(A)(5) for legal advice regarding the financing for NARDC, review of executive session minutes from September 12, 2016; and personnel matters regarding Jenny Hansen.

At 3:52 p.m., Reconvene for action on:

- a. **Financing for NARDC:** This item was discussed in open session during the financial update.
- b. **Approval of Minutes: September 12, 2016 - Executive Session:** **Vice-Chairman Watson made a motion** to approve the September 12, 2016 executive session minutes; motion seconded by **Mr. Muder**. Vote unanimous approving the motion.
- c. **Personnel Matters regarding Jenny Hansen:** **Vice-Chairman Watson made a motion** to approve a 1.5% one-time salary increase for Jenny Hansen; motion seconded by **Mr. Johnson**. Vote unanimous approving the motion.

Update regarding conversion options: At 3:13 p.m., Mr. Dewitt indicated that he has received information from White Box and will be reaching out to them moving forward. He stated that they confirmed that 95% accuracy is the percentage that they were talking about from Show Low's data to Show Low data in Spillman.

Discussion and possible action regarding NARDC proposed budget final draft: At 2:06 p.m., Ms. Hansen provided a proposed budget. She thanked Paige Peterson, Ken Dewitt, and Daniel Duschon for working on the budget and going through the various versions. She stated that the original number for FTE's was 26.5, and the last draft budget as 20 FTE's, which included the director and IT. She indicated that we have 29 actual FTE's right now and are absorbing one position into a warrant administrator position. She spoke about the individual subscriber payments and how to process those fairly across the board and started to look at a flat rate for call

volumes. She indicated that there will be some natural attrition in the number of FTE's, and that 25 would be an ideal number. The members discussed the proposed budget. **Vice-Chairman Watson** expressed appreciation to Ms. Hansen, Ms. Peterson, and Mr. Dewitt for taking the time to figure out the budget. He indicated that given the numbers and looking at the other expense line items, some do not have any escalator clauses in the expenses, and Navajo County and Show Low cannot take these kinds of increases and that we now need to go back to get the budget to the point of matching our existing budgets so that we can move forward without having to go back and say we need more money. He stated that he is trying to understand why two centers that act as one need more personnel than what they are currently at. Ms. Hansen indicated that each of the centers are short staffed. She spoke about staffing rules and leave hours. She indicated that overhead with equipment would be significantly less in one center, and capital would reduce significantly. Mr. Dewitt indicated that Spillman has been relatively consistent about not increasing their maintenance. **Mr. Muder** stated that we need to get **Vice-Chairman Watson** to chair a committee with the finance directors of the participating agencies to put a real budget together and see if we can make it work. As to the subscribers, **Vice-Chairman Watson** stated that we can have an escalator starting at year two with a base adjustment after year three based on call volume. As to facilities, **Vice-Chairman Watson** inquired as to whether the staff at both centers are operating as one where they can back each other up. Ms. Hansen indicated that, yes, they will be mirror images. **Chairman Morgan** indicated that there would be total fail over, the other could provide complete operations standards. **Vice-Chairman Watson** stated that he will meet with **Chairman Morgan**, Justin Johnson, Kevin Rodolph, Paige Peterson, Ms. Hansen and Mr. Dewitt on December 20th, at 1:00 p.m., at Show Low City Hall and requested Ms. Hurstrom to send out an invitation. Ms. Hansen encouraged everyone to have on hand as much of the archived documents as possible when they come to this meeting. **Chairman Morgan** stated that it is also important to know how many holdbacks there will be.

Discussion and possible action regarding insurance policy: At 3:15 p.m., Nick Patton indicated that after speaking with Eric Scott, Mr. Scott went back out and asked for a new round of quotes based on the concerns previously stated and received a few quotes, one of which has expired. He also stated that there is a summary from Mr. Scott. **Vice-Chairman Watson** stated that the Board is not prepared to make a decision right now. **Chairman Morgan** indicated that ESIP is one of the companies that all of the fire districts use, and the coverages look typical, but the dollar amounts are a policy decision that the NARDC Board needs to make. Mr. Patton stated that the quotes went over what we asked for, and the letter stated that the Board may be open to other options besides E&O, but that needed to be in a separate quote. **Vice-Chairman Watson** requested Mr. Scott give a synopsis of his findings and recommendations for the next meeting. **Chairman Morgan** requested that the risk managers at the agencies go through the quotes and make a recommendation.

NARDC Program Update: Ms. Hansen provided a director's update. She indicated that they finished the agency radio requirements meeting, and all agreed as a region that they should come up with a goal of how to derive our functional radio requirements for public safety in this region, and a subcommittee has been formed to begin framing that goal. She stated that she met the new director of DPS, who indicated that DPS's plan is to move forward with upgrading their radio infrastructure statewide, and Ms. Hansen believes it will be a good partnership between NARDC and DPS. She spoke about new trainees and developing a training academy, one class at a time and that her goal is to have a structured training program for all dispatchers at NARDC. She spoke about documents in progress and the priorities for the next months. She stated that she has received four samples from the State regarding subscriber agreements and will work with Mr. Patton in coming up with draft language. She spoke about an upcoming meeting in January with the Department of Homeland Security. **Chairman Morgan** stated that there is \$351,000.00 that gets allocated to Navajo and Apache County for State Homeland Security, and a lot of that goes to interoperability. Ms. Hansen stated that the key is having a plan.

Financial Update: At 2:53 p.m., Paige Peterson indicated that the only option for financing is for each agency to come up with their portion of the capital costs. Jason Moore spoke about costs for using bonding counsel. He stated that Fire districts generally do not dispatch but contract for services, and the cost of funding capital equipment could be reflected in subscriber fees. He spoke about using a lease purchase agreement for the fire districts as a debt instrument as another option. **Chairman Morgan** asked whether it would be over and above the allocated subscriber fee. Ms. Peterson stated that capital costs were not included in determining the subscriber fee. She stated that the County is not able to incur debt on behalf of the other agencies. Mr. Dewitt indicated that \$1.6 million is in the spreadsheets and in the business plan. **Chairman Morgan** stated that another option would be for the fire districts to budget in their amounts and pay it upfront. Mr. Moore indicated that over the past three to four years, there has been loose language being used regarding the mechanism for financing for NARDC, and it is not legal for the County Treasurer to loan money for NARDC's operating costs. He indicated that a debt instrument has to be created that the County Treasurer can buy. He spoke about the idea of Navajo County issuing debt to cover costs for everybody and then the County Treasurer investing in its own debt; however, there is a gift clause which prohibits the County from loaning credit to other entities, and the County Treasurer has a fiduciary duty to all entities on whose behalf he or she holds money. He stated that the priority is to guaranty the safety of funds on deposit with the County Treasurer and trying to maximize return, and his preference would be to have a treasurer from another county invest in Navajo County's indebtedness that it issues for this. Mr. Moore stated that he and Ms. Peterson met with the County Treasurer who seemed open minded to the idea, but she wanted to discuss the matter with treasurers from other counties and may want to seek independent legal counsel to advise her on this matter. Ms. Peterson stated that the County Treasurer's investment policy does allow it. Mr. Brown indicated that if each agency goes out to get funding, it would take time, and the easiest route would be for each entity to make a debt instrument and go through the Treasurer as an investment. **Vice-Chairman Watson** stated that if the County for their share comes up with another mechanism, there is more comfort with the other agencies involved in NARDC to issue notes and do that with the Treasurer than there is for the County. **Chairman Morgan** inquired regarding offsets as to alternative revenue, including grants. Ms. Peterson stated that they would need to make the adjustments as they came in. **Vice-Chairman Watson** stated that each note would have to have early buy-out language. He asked whether the entities which borrow money against the Treasurer invest that money, because it will not be used right away. **Chairman Morgan** stated that they can put money in a State investment which pays more than the County. Ms. Peterson stated that she will look at that and have answers for next week. She indicated that the banker wants to be contacted after the meeting to see if the Board consents to the allocation set forth in the initial capital investment. **Mr. Muder** stated that the Board will not know that until they see a final budget.

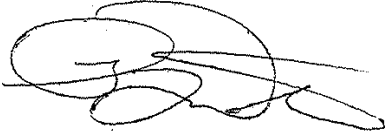
Reports from Staff: Mr. Dewitt indicated that he and Ms. Hansen met with Lt. Arend from Winslow and spoke regarding a hosting agreement, but did not give him any definite numbers. He stated that he will have that same conversation with Chief Scarber of Snowflake/Taylor. He stated that the RFP for grant funds in Holbrook is on street, and the bid opening is scheduled for 22nd. He stated that they had four or five people at the pre-bid meeting. He stated that he has met with eight different vendors and is negotiating the price with the top one. He indicated that Spillman has submitted an invoice. **Chairman Morgan** asked Ms. Hansen if there has been any consideration of looking at the early transition of agencies to get revenue started. Ms. Hansen indicated that if the fire service goes first in Holbrook as a launch point, and she will need to look into training for full fire and EMD, and Pinetop/Lakeside would go next in Holbrook until seats are ready in Show Low. **Chairman Morgan** stated that we need to keep Mr. Johnson in the loop so that he can plan for that. **Mr. Muder** stated that once the Finance Committee gets together, they can schedule it out so that there can be a plan. Ms. Hansen stated that there needs to be a separate transition plan. **Mr. Muder** stated the Show Low public safety facility is still on target.

New Business: There was no new business.

Adjourn: At 3:54 p.m.

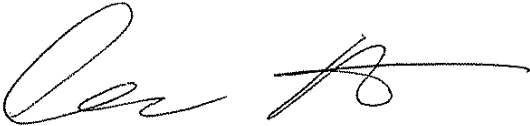
APPROVED:

DATED: 01/09/17

A handwritten signature in black ink, appearing to be 'Paul Watson', written over a faint circular stamp or watermark.

Paul Watson, Vice-Chairman
Northeast Arizona Regional Dispatch Center Governing Board

ATTEST:

A handwritten signature in black ink, appearing to be 'Donna Hurstrom', written in a cursive style.

Donna Hurstrom, Clerk
Northeast Arizona Regional Dispatch Center Governing Board