

The Board of Directors of the Emergency Communications District (ECD) of Nashville and Davidson County met in regular session at the Metro Emergency Communications Center, 2060 15th Avenue South. Chair Cleo Duckworth called the meeting to order at 2:30 PM and presided over the meeting with the following board members present: Ruby Baker, Grady McNeal, William Johnson, and Buford Tune. Board members Susan Mattson, David Gleason, Eliud Trevino and Wayne Tucker were not in attendance. Others present included: Mark Lynam and Larry Law (ECD Admin), Michele Donegan, Angie Milliken, Lynette Dawkins, Bruce Sanschargin, Hal Weese, and Dwayne Vance (ECC Dept), Senator Joe Haynes (Legal Counsel), and Jim Barnes (TECB).

Minutes

Mr. Tune made a motion to accept the minutes from the February 18, 2016 ECD board meeting. Mr. Johnson seconded the motion and it carried unanimously by voice vote.

Financial Report

Mr. Lynam went over the February 2016 financial report with board members. He reported that income for January was \$1,060,564 while expenses were \$301,138. This left us with a net gain of \$759,427 for the month. Our checking account balance at the end of February was \$1,275,674 and our LGIP account balance was \$7,421,315. This leaves us with \$8,696,989 available for operations.

Training Requests

Ms. Dawkins from ECC's Human Resources Division presented the following items for approval:

Training Materials:

4418.03 - CTO Training Manuals (\$79 each x 10)	790.00
- EFD Training Books (\$195 each x 20)	3900.00
- EMD Training Books (\$195 each x 20)	3900.00
- Calltaking Manuals (\$15 each x 12)	180.00
- Procedure Manuals (\$15 each x 12)	180.00
- APCO Manuals (\$79 each x 20)	<u>1580.00</u>
	10,530.00

Misc. Training

4418.11 – Baby & CPR pins (\$5 each x 36) + S/H	220.00
4418.03 – CPR Lungs (adult & infant) + S/H	<u>150.00</u>
	370.00

Grand Total \$10,900.00

Mr. Tune made a motion for the Board to approve the training requests. Mr. Johnson seconded the motion and it carried unanimously by voice vote.

Public Awareness Update

Mr. Nolan was out of town at the time of our meeting. He did provide the Rescue Rex reports and the call analysis report for February 2016 for board members to review.

Financially Distressed Designation

Mr. Jim Barnes from the TECB was invited to our meeting to go over and answer questions regarding the letter that his agency sent regarding Davidson County's past two audits showing a negative change in net

position. Board members are concerned about the adverse connotation that comes with possibly being labeled “financially distressed” when our balance sheet shows we are sound. Mr. Barnes explained that the letter was sent in compliance with TECB Policy No. 6 which governs what action is to be taken with districts whose audit shows a negative change in net position.

Mr. Barnes stated that he had reviewed the circumstances surrounding our district’s expenditures for the radio system which is paid from cash reserves. These payments on the radio system are having a negative effect on our net position since these payments register on the income statement as an expense, even though the funding source for these payments is coming from cash reserves on the balance sheet. This will likely cause us to have a negative change in net position for the next few years. Mr. Barnes recognizes that we have a considerable amount of cash reserves. From a cash perspective we have ample funding to cover all of our expenses but when depreciation is added to our operating expenses, as required each year in our annual audit, it causes our expenses to exceed our revenues.

The original law states that any district that has three (3) consecutive years of negative change in net position is to be considered financially distressed. In January 2015, another law was added stating that depreciation was to be removed from operating expenses when determining whether or not an ECD was deemed “financially distressed”. If we have a third consecutive year of negative change in net position we will be considered financially distressed from the time the audit report comes out, which is usually in November, until the time the TECB meets. Once the TECB meets, they will review the audit report and remove depreciation from the calculation. At that time, we will be put in an “at risk” category.

Senator Haynes pointed out that the Davidson County ECD is in a different category. The formula that is used to compute “financially distressed” does not fit us. He suggested that the TECB find a way to change the law. Mr. Barnes stated that his agency has looked into this but the director of state audit is adamantly opposed to any change in this law.

Mr. Barnes offered a suggestion that we might want to consider to help us get out of this situation. Since we are in a unique position where we do not control the equipment but Metro does, we could transfer all of our equipment to Metro and let them carry the depreciation on their books. This is backed up by an attorney general opinion and supported by the director of state audit.

Regardless of where we end up, Mr. Barnes asked that we submit a FY17 balanced budget where the combination of both recurring operation expenses and depreciation do not exceed FY17 revenues. Capitalized expenses should be noted but are not an element of the balanced budget. We should also notify him of all meeting dates and provide copies of minutes and financial statements from these meetings.

ECC Director Report

ECC Director Michele Donegan reported that they currently have 16 vacancies and 13 offers of employment to recent applicants. She is hopeful that they will have a training class of 10 starting soon.

Lorenzo Clark was recently promoted to supervisor.

On March 8th a number of ECC employees attended 911 Day on the Hill with Tennessee State legislators.

ECC in-service training is continuing on a regular basis at the backup center.

Motorola will be at the Communications Center shooting a 3 minute video that will highlight our center, our city, and the 911 technology that we are using.

Ms. Donegan and her staff met with the Finance Director this morning to talk about her department's budget. They will meet with the Mayor on Wednesday, March 23rd, at 9:00 AM.

Miscellaneous

Mr. Lynam reported that Ruby Baker and Buford Tune were in line for reappointment to the ECD Board. Mayor Barry has nominated Michelle Jernigan to fill the seat that was held by Wayne Tucker. All nominees will go before Metro Council on Tuesday, April 5th.

Invitations will be going out soon for the employee appreciation banquet. The dinner will take place on Thursday, April 14th, at 6:00 PM at the Millennium Maxwell House Hotel.

During the next few weeks Mr. Lynam will be preparing our budget for 2017. He will present the budget to board members at our April board meeting.

Our next ECD Board meeting will take place on Thursday, April 21st, at 2:30 PM.

Adjournment

Upon proper motion and second the meeting adjourned at 3:18 P.M.

Minutes submitted by Mark Lynam