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STATE OF TENNESSEE  
TENNESSEE EMERGENCY COMMUNICATIONS BOARD  
DEPARTMENT OF COMMERCE AND INSURANCE

BOARD MEETING  
June 27, 2004  
Volume I of II

Cannon & Stacy  
Court Reporters  
Denise Harwood-Stacy  
117 Arrowhead Drive  
Hendersonville, Tennessee 37075  
(615)822-9382

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BOARD MEMBERS PRESENT

- Mr. Randy Porter, Chair
- Ms. Wanda Moody, Vice Chair
- Mr. Tom Beehan, Member
- Mr. Charles Bilbrey, Member
- Mr. Ike Lowery, Member
- Mr. Freddie Rich, Member
- Mr. David W. Purkey, Member
- Ms. Shelby Sheffield, Esq., Member
- Mr. Johnny Vickers, Member

STAFF MEMBERS PRESENT

- Mr. Anthony Haynes, Executive Director
- Mr. J. Don Johnson, Auditor
- Ms. T.J. Revis, Administrative Assistant
- Mr. Duple Travillion, Government External Affairs
- Ms. Lynn Questell, General Counsel

1		TABLE OF CONTENTS	
2		Pages	
3	Report of the Executive Director	4	- 14
4	Recognition of Efforts of Paul Hartbarger	14	- 15
5	Adopting Annual Budget	15	- 19
6	Jackson County ECD Update	19	- 25
7	Perry County ECD Lease Payment Eligibility	25	- 27
8	Consider Revising Board Policy No. 3	27	- 29
9	Consider Scheduling Public Hearings	29	- 31
10	Consider Verizon Request for Handset Reimbursement	32	- 50
11	Consider Cellular South Request for Approval for Additional Costs for Phase I	50	- 51
13	Consider Resolution by Carroll County ECD Board of Directors Requesting Authorization to Expend Funds on the Purchase of Address Markers	52	- 56
15	Consider Rate Increase Request by Johnson County ECD and hear parties concerning Johnson County ECD/Mountain City Dispute	56	- 128
17	Consider Request for Rate Increase by Roane County ECD	129	- 144
18			

	Consider Request for Extension of Rate Increase	
19	by White County ECD	144 - 156
20	Consider Request for Extension of Rate Increase	
	by Cumberland County ECD	156 - 185
21		
	Consider Setting July Board Meeting	185
22		
	Request for Staff to Seek Agreements to Complete	
23	Addressing	186 - 199
24		
25		

1 CHAIR PORTER: We're going to come to order.

2 Good morning everyone. It's good to see  
3 everyone. This is the May meeting of the Tennessee Emergency  
4 Communication Board.

5 As just a reminder, for the court reporter,  
6 make sure that we only talk one at a time so she can catch  
7 everybody, get everybody for the record. Members of the  
8 audience, if you come up and speak during the morning, we ask  
9 that you state your name and your title for the record so we  
10 get that in.

11 I think we're also recording our board  
12 meeting this morning to video broadcast across the internet for  
13 a link to our website. We're not live broadcasting. I think  
14 we'll talk about that a little later. But we're getting really  
15 close.

16 Do we have any board members absent?

17 We have a full group. So let the record  
18 show that all the board members are present this morning. And  
19 we'll go ahead and get started with the -- the agenda.

20 The first item on the agenda is a report of  
21 the executive director, Anthony Haynes.

22 MR. HAYNES: Thank you very much,  
23 Mr. Chairman. As you mentioned, we are not broadcasting live  
24 over the internet this morning. I think that's probably  
25 because of some difficulties in getting a RFP, a state contract

1 issued. That process, we are just not able to meet that time  
2 line. However, our goal is to be able to do the September  
3 board meeting live over the Internet and possibly even, as the  
4 staff will recommend to you this morning, having a July  
5 meeting, maybe even having the contract in place that will  
6 permit us to do that.

7                               We will have an archived copy available,  
8 hopefully, by early to mid next week. So districts wishing to  
9 listen to any or all of the proceedings here this morning can  
10 go to our website, click on it and open up that spot and listen  
11 to the proceedings. We're also posting copies of transcripts  
12 from these meetings to the internet. And following this  
13 meeting a new practice that we're going to begin, your general  
14 counsel is going to be writing a two to three-page summary of  
15 all activities taken at the board meeting and we will be  
16 mailing that to all districts, all district directors, and all  
17 local ECD board members that we have an address for.

18                               If I might start off, Mr. Chairman, I would  
19 like to commend the staff of the internet technology operations  
20 here at the Department of Commerce.

21                               Brent, did Paul come down this morning?

22                               I had asked Paul Hartbarger to come down. I  
23 understand he had a conflict on time. But I just wanted to  
24 start off by taking a moment to recognize the efforts of not  
25 only Paul Hartbarger, the new department IT person, but also



1 Mr. Chairman, on some action items maybe we can take formal  
2 action to commend some of the IT staff based on the hours that  
3 they have put in on that.

4                   Some of the other items, Mr. Chairman, I'd  
5 like to address is PSAP readiness. You have before you in your  
6 packets status maps, carrier by carrier, county by county for  
7 Phase II or Phase I and II deployment. That is based on the  
8 May 1st FCC quarterly reports. Vanessa Williams on our staff  
9 just did a wonderful job of going through, and it's a very  
10 tedious job, over a number of days, verifying that carrier's  
11 PSAPs as well as other entities and making sure that  
12 information was right.

13                   She did find some discrepancies of what the  
14 carrier reported to the Commission. And we will be addressing  
15 that with the carriers as well as the FCC in the upcoming  
16 weeks.

17                   I am very proud of the progress of Phase II  
18 implementation. We are down to four counties. The four  
19 counties of Grundy, Bledsoe, Sequatchie, and Van Buren that  
20 have never ever had E-911 service, landline. Of course, you  
21 have to have that format to build your wireless technology on.  
22 But everywhere else in the state the PSAPs are ready. We have  
23 at least one to two wireless carriers, at a minimum, that have  
24 a presence in that county that are going to Phase II  
25 technology.

1                   And as we saw, as I showed some of the board  
2 members this morning, some of the recent publications that are  
3 going out across the 911 community nationally, Tennessee is now  
4 cited as the national leader in E-911 wireless technology. And  
5 I would like to not only commend the board and the wireless  
6 companies for their hard work on that, but most importantly the  
7 local PSAPs for making this deployment work go so smoothly in  
8 being available for testing and deployment. Without that,  
9 Mr. Chairman, we would not -- we would not have the success we  
10 have right now. So the real thanks, I think, goes to the local  
11 PSAPs across the state.

12                   We have no real new news to report on the  
13 federal E-911 bill. That legislation is tied to a bigger deal,  
14 tied to the U.S. Spectrum Management and Spectrum Fund.  
15 There's some pretty high level deals being cut with some major  
16 telecommunications interest in the U.S. Senate. When that deal  
17 breaks, Mr. Chairman, and members of the board, E-911, we're  
18 told, will be brought out on the house of the senate floor in  
19 some sort of compromised agreement.

20                   They are looking at proceeds and, quote,  
21 carryover monies from that Federal Spectrum Fund, to be a jump  
22 start funding for the 911 legislation that would create  
23 hundreds of millions of dollars and new grant authority for  
24 local 911 districts.

25                   We have continued to put on pressure to the

1 congressional delegation and the sponsors of the bill to have  
2 provisions in there that make sure that states like Tennessee,  
3 because of their success in implementing Phase II are not  
4 penalized or deemed to be less priority or ineligible for those  
5 grants that we created.

6                                   And then, secondly, we've tried to broaden  
7 the scope of the deal. The House legislation and the  
8 legislation in the White House supports is limited to just  
9 Phase II implementation, we know, based on our experience here  
10 in Tennessee, PSAPs need more help than just Phase II. We have  
11 Voice Over IP coming, we have other challenges that come up,  
12 and the PSAPs should not -- in Tennessee should not be  
13 disqualified for grants just because the scope is limited to  
14 Phase II. So we've been lobbying to open that up, so to speak.

15                                   The RFP process that you recently authorized  
16 the staff to enter into for not only, one, technical consulting  
17 services, but developing a state technical standard for all  
18 E-911 wireline, wireless, and Voice Over IP, those processes  
19 are underway. They are being conducted by the Department's  
20 legal staff and budget staff. We have contributed toward that.  
21 That process is running well, I'm pleased to report.

22                                   And following this meeting, the staff will  
23 be issuing another RFP to meet the board's web-casting needs  
24 that we hope to get closure on so that we might be able to do  
25 it in the July meeting, if the board elects to have one.



1 amount of time on the phone to telephone cooperatives serving  
2 the area as well addressing the AMS folks with the postal  
3 service here in Nashville and had nothing but good things and  
4 commitments for support from all those entities that I'm very  
5 pleased to report. So the staff will continue to pursue those  
6 in the upcoming weeks and continue to make ourselves available  
7 to the four county area leadership in whatever way that we can  
8 to help them out.

9                   Our agreements for Phase II cost recovery  
10 have been approved by the comptroller, Mr. Chairman. And we  
11 will be sending those to the wireless carriers next week. As  
12 you know, this is the so-called "authorization document" that  
13 allows us to permit money for Phase II implementation, cost  
14 recovery. We'll be sending those out next week.

15                   We're very proud, not only that we will be  
16 able to fulfill those commitments made to the wireless  
17 carriers, but from a political standpoint, Mr. Chairman, no one  
18 will be happier than me to draw down that level of money that  
19 seems to be a life support in every legislative session when  
20 budget times get tough.

21                   We had a successful series of town hall  
22 meetings in March and April. We had one in Jackson, Tennessee  
23 that TENA hosted for us. Then in Knoxville, Barry Furey was  
24 kind enough to host one for us there. And, Mr. Chairman, you  
25 hosted one for us in Cookeville. And then also Bob Fenal

1 (phonetically) and Ike Lowery hosted us up in Johnson City.  
2 Those were very successful. We had positive feedback from  
3 that. We got recommendations from districts to do it more  
4 often. So we're going to try to do a little bit better job of  
5 getting on the road, listening to what people have to say.

6                   And I think it helped a lot. Because there  
7 was a lot of misinformation out there in the system about  
8 certain policies, restrictions by law the way we have to do  
9 things. But once we cleared the air on that I think there was  
10 quite a level of commandery and trust on those things.

11                   On the legislation, Mr. Chairman, HB3039 and  
12 the Senate Bill 3115 have been amended to where now what is on  
13 the Governor's desk, I'm told, is a bill that will basically  
14 have a TACIR study that they will be charged to report back  
15 their findings to the legislature no later than, I think it's  
16 February of 2006, addressing not only the general funding needs  
17 of 911 in this state but basically how it should be funded,  
18 supported, and the policy related to that. We have already  
19 begun working with TACIR, in that TACIR contacted us and we've  
20 been working with the lead researcher on that. As well as,  
21 I've had a couple of conversations with Dr. Green. And we look  
22 forward to working with them through that process.

23                   Mr. Chairman, related to that, but somewhat  
24 on a different matter, I have always wanted to get the board to  
25 engaged in some public hearings across the state just to get

1 some general policy and feedback from the districts, in much  
2 the same way my experiences with the Florida Mississippi Delta  
3 Commission, the federal commission back in 1990 I did for the  
4 Board of the Mississippi Delta. And one of the recommendations  
5 that I'm going to have for you as an action item a little bit  
6 later is that the board authorize the staff to conduct, as a  
7 board event, about four to no more than five different times  
8 across the state, public hearings. And we will invite public  
9 safety agencies, members of the public, government officials,  
10 911 officials, different interest that -- private citizens that  
11 might want to contribute toward building a record.

12                   Since we're going to be going into a study  
13 period with TACIR of what policies should be in place to have a  
14 better 911 delivery system, a better 911 funding system in this  
15 state, as you know the board is charged by law to provide  
16 recommendations to the legislation from time to time, changes  
17 to our authorization code, we do not want to get out in front  
18 of Dr. Green and TACIR -- because we very much respect TACIR,  
19 we very much respect an analytic approach to looking at how  
20 things could be done. But quite frankly, I think that we can  
21 contribute to TACIR's efforts by helping provide a record that  
22 is built that they can use in their research to gather input,  
23 testimony, recommendations from the public, from the public  
24 safety community, and before you -- a little bit later this  
25 morning, Mr. Chairman, the staff will have that recommendation

1 for you and answer any questions. And we'll be glad to answer  
2 more questions on it then.

3                   Finally, Mr. Chairman, I would like to thank  
4 the hard work of the staff. We had a very busy two or so  
5 months. As I tell a lot of folks when they start bragging on  
6 the board, I'm just the lucky guy who gets to set in the top  
7 chair. It's a topnotch staff, topflight staff. And it's just  
8 my honor to be associated with them. And I think if you were  
9 to view the inside workings of this board from day to day you  
10 would even have more appreciation for the work people outside  
11 myself do to make 911 work and work well and work in a  
12 respectful way for the state. So I just want to commend the  
13 staff on that.

14                   Mr. Chairman, at this time that concludes my  
15 report except for a few business items that we would request.  
16 And if I might address those.

17                   Number 1, I would like to request that the  
18 board take on some kind of a motion to formally commend the  
19 works of Paul Hartbarger and his staff for the hard work that  
20 they've done to make the board meetings available on the  
21 internet.

22                   CHAIR PORTER: You heard the request of  
23 Anthony for a motion to commend these folks for their hard work  
24 that they've done to try to get this going.

25                   MEMBER BEEHAN: So moved.

1 CHAIR PORTER: Do I have a second?

2 MEMBER MOODY: Second.

3 CHAIR PORTER: Motion and a second that we  
4 commend these folks.

5 And I'd like to say that they've done a lot  
6 of hard work and we appreciate what you're doing. I think  
7 we're making history here and I think this is a great thing.  
8 You-all are doing a good job and we appreciate it.

9 Any other discussion or comment?

10 Hearing none, all in favor say "aye."

11 THE BOARD: Aye.

12 CHAIR PORTER: All opposed like sign.

13 The motion carries.

14 MR. HAYNES: Mr. Chairman, the second item  
15 is adopting the fiscal year 2005 budget. This budget was  
16 developed by the staff with the Department of Commerce and  
17 Insurance's budget staff. It was approved by the Commissioner  
18 of Finance Administration adopted by the Governor and submitted  
19 in his legislative budget to the legislature which was recently  
20 approved going into fiscal year 2005. Just as a formality, I  
21 would like for the board to adopt that proposed budget.

22 And also, for the members of the public, for  
23 those who might be interested, this actual budget itself is  
24 part of the Department of Commerce and Insurance budget. So  
25 wherever that budget is available on the internet, the

1 Governor's website, any number of places, you go and look up  
2 code 335.08, that is the Emergency Communications Board, for a  
3 detail listing of the budget.

4 CHAIR PORTER: You've had a chance to see  
5 the budget, it's including in your packet. Do I hear a motion  
6 to approve?

7 MEMBER LOWERY: So moved.

8 CHAIR PORTER: Do I have a second?

9 MEMBER RICH: I'll second.

10 CHAIR PORTER: Any discussion?

11 MEMBER BEEHAN: Randy, this is my first  
12 budget, as I'm looking at this, it looks like we're giving an  
13 awful lot in grants.

14 MR. HAYNES: The line item on grants that  
15 you see will total up -- we're recommended 2004-2005 some 25  
16 million \$482. That is the general 13 budget category that not  
17 only all of your grants to the districts, reimbursements to  
18 PSAPs, wireless carriers, basically of the amount that is  
19 setting in reserve in the E-911 fund, which my guess is, today  
20 it's probably in the neighborhood of 48 million, the  
21 legislature only authorizes a release of a portion of those and  
22 what they have chosen to authorize a release of immediately  
23 is -- well, let the back up.

24 The Commissioner of Finance Administration  
25 has full authority to release all those funds on our behalf.

1 But what they do is authorize half of that for release. And  
2 when we start making -- getting these Phase II agreements  
3 signed and start making a number of payments to different  
4 wireless carriers, we will have to request a budget improvement  
5 because we will most likely go over that \$25 million amount.  
6 But that is the way it's been explained to me since the first,  
7 is what the Commissioner of Finance Administration is  
8 immediately delegating authority to the Department of Commerce  
9 and Insurance to release that much money.

10                   It's just the normal process. It doesn't  
11 mean that the remainder of the board's funds in the E-911 fund  
12 cannot be released, it just takes budget approval, approved by  
13 the Commissioner of Finance Administration.

14                   MEMBER MOODY: Mr. Chairman, in connection  
15 with that, do you have any idea what percentage of that 25  
16 million goes out to local PSAPs?

17                   MR. HAYNES: I should know that off the top  
18 of my head, but I do not. But it is everything from cost  
19 recovery to the stand alone -- data bases, it is -- it's all  
20 grants, all reimbursements.

21                   MEMBER MOODY: One of the things that I'm  
22 hearing from the locals is the fact that they feel that they're  
23 not getting as much of the wireless money out at the local  
24 level as they should. And, you know, I realize we do have some  
25 constraints as far as the legislature goes and so forth, but I

1 wonder as time goes on and we start looking at this, if we can  
2 start trying to come up with some kind of a policy or doing  
3 something to get more money out to the locals. Because many of  
4 the locals are really struggling. Because we know that so many  
5 of them are losing money from their landlines. And, of course,  
6 that's obvious because it's being picked up through the  
7 wireless. But then a lot of them aren't getting any additional  
8 money. And it's really creating quite a financial problem.

9                   CHAIR PORTER: I think that's one of the  
10 things that, hopefully, this TACIR study will address too, is  
11 that what -- what is out there that can be done to help that.

12                   But one thing to remember too is -- and one  
13 of the big things that you-all did on the NENA list server that  
14 I saw coming across yesterday was -- there was -- in another  
15 state they got a bill for one of the wireless carriers for \$2  
16 million to put in a Phase II, and they were just tore all to  
17 pieces. And Tennessee, we paid all those costs that the local  
18 districts didn't have to pay which is going to come somewhere  
19 in the 60 million range, I guess, when it's all said and done.  
20 So there's a lot of money that's being put back out that, with  
21 that thing, that folks sometimes forget about.

22                   MEMBER MOODY: You know, I think that might  
23 be a good idea at some point to communicate that to the locals  
24 to let them know that that has occurred.

25                   CHAIR PORTER: I agree with you, there's --

1 we're going to have to -- especially now and in the next few  
2 years it will be a real problem for getting wireless -- or  
3 getting funds. Hopefully this state will look at that. And I  
4 think Anthony already has some ideas of some things that  
5 hopefully will help that.

6 Other discussion on the budget?

7 Hearing none, all in favor say "aye."

8 THE BOARD: Aye.

9 CHAIR PORTER: All opposed like sign.

10 Motion carries.

11 Next item, Anthony.

12 MR. HAYNES: Mr. Chairman, what I would like  
13 to request right now, since it is going to be very brief, is an  
14 update from the Jackson County ECD. And I think not only do  
15 they have a quick report on how well they've been doing but  
16 maybe also a request of a couple of items.

17 In addition to what Jackson County is going  
18 to bring up, I should note that in the board's order issued --  
19 I can't remember the date -- but in the board's order issued on  
20 Jackson County, which you can download from our internet site  
21 if you want to read it -- okay, February 6th, 2004 -- one of  
22 the conditions in there would be that the Jackson County ECD,  
23 we'd be paying for the NCIC and the TBI equivalent of that  
24 service. It was brought to our attention later by Jackson  
25 County that that would actually put them in conflict with an

1 inter-local agreement that the had already signed with the City  
2 of Gainesboro.

3                   So before maybe we get an update from  
4 Jackson County, I would like to ask you to entertain a motion  
5 that would allow us to amend that order so that it would not  
6 put them in conflict with a previous agreement that they  
7 already had.

8                   CHAIR PORTER: You heard the request.  
9 What's the will of the board?

10                   MEMBER VICKERS: So moved.

11                   MEMBER LOWERY: I'll second.

12                   CHAIR PORTER: Motion and second that we  
13 allow the staff to reformat the order and -- to take care of  
14 the NCIC problem. Any discussion?

15                   Hearing none, all in favor -- did you have a  
16 question?

17                   MEMBER MOODY: I was going to say, now, this  
18 is just an exception because of the fact that that issue was  
19 included in their inter-local agreement? Okay.

20                   CHAIR PORTER: Any other questions or  
21 discussion?

22                   All in favor say "aye."

23                   THE BOARD: Aye.

24                   CHAIR PORTER: All opposed like sign.

25                   Motion carries.

1                   Jeff, you want to give us a --

2                   MR. ALLEN: Yes, sir, Mr. Chairman. My name  
3 is Jeff Allen, I'm the vice chairman of the Emergency  
4 Communication District in Jackson County.

5                   Last night we actually obtained our audit  
6 from Leslie and Beckman's office here and I have several -- a  
7 couple of copies of that audit for the ECB. From my  
8 understanding, Mickey sends his apologies. He was going to be  
9 here and he had a family matter arise and so I got kind of  
10 drafted to do this. And I'll try to answer any questions you  
11 have as best as I can.

12                   We currently are right on track where we  
13 should be and in appreciation with everything that the ECB has  
14 done for us and everything else. One of the request that we  
15 have was that the ECB cease to reimburse us on payroll at this  
16 time. The district feels that we can take over that  
17 responsibility and go ahead and issue payroll accounts as  
18 necessary as well as our general fund. The balance currently  
19 is where we feel that we just can handle this ourselves now and  
20 appreciate what the board has done for us. But we do ask that  
21 you cease the reimbursement on the payroll.

22                   The other one was the NCIC/TCIC contractual  
23 agreements that we had with the County and with the City that  
24 you have already taken care of there as well. And we  
25 appreciate that.

1                   Basically that's all the update we have. I  
2 think Mickey and Jim had been in touch with Anthony back and  
3 forth and basically that's all I have unless Anthony has some  
4 others he'd like to add.

5                   MR. HAYNES: I'd just like to add,  
6 Mr. Chairman, that the folks from Jackson County, quite  
7 frankly, have been a pleasure to work with. I have every bit  
8 of confidence in the world that they're on the right track,  
9 that the appropriate checks are in place, and that we got folks  
10 of good will and people of high standards trying to do the  
11 right thing. I can't say anything but good things about this  
12 working relationship over the last couple of months and the  
13 trust they've attempted to build with the state board.

14                  CHAIR PORTER: Jeff, I think that probably  
15 after all the reimbursements get taken care of, back to  
16 you-all, and you got all of your bills paid, you-all are going  
17 to be, what, about 50,000, I think, money in the account  
18 balance --

19                  MR. ALLEN: We were looking at an ending  
20 fund balance somewhere between the 25 and 50 range, yes, sir.

21                  Again, we've integrated some software with  
22 our IRS and with our bookkeeping. And again, we've -- the  
23 board is pretty much well overseeing all day-to-day business.  
24 Of course, Mickey certainly is the interim director and also  
25 serving on the board. The board just felt necessary for this

1 fiscal year that we should oversee anything that comes before,  
2 and we will handle it as a board for this next fiscal year. We  
3 just felt that that would eliminate any -- any problems that we  
4 have and get us back on track for the next fiscal year.

5 MEMBER BEEHAN: Is there anything in that  
6 audit that comes as a recommendation that we might ought to  
7 know about?

8 CHAIR PORTER: I think these were just made  
9 available, what, yesterday?

10 MR. ALLEN: They came in last night, yes,  
11 sir.

12 CHAIR PORTER: Do you want to let Don flip  
13 through that during the board meeting and we can come back to  
14 that?

15 MEMBER BEEHAN: Sometimes an audit will give  
16 recommendations --

17 MR. ALLEN: They do have, yes, sir. They --  
18 Ms. Leslie has made recommendations. And also the findings  
19 that she felt may have been some of the cause of the problems  
20 that we incurred. But she does have recommendations on some of  
21 the problems and as well made solutions there. They are listed  
22 in there and I've looked over that, yes, sir.

23 MEMBER BEEHAN: And I would assume you would  
24 be prepared to take the recommendations --

25 MR. ALLEN: Yes, sir, anything that we need

1 to do we'd be more than happy to implement or adapt as the  
2 board sees fit to -- to do that. But as well as ourselves,  
3 yes, sir, we will take those recommendations and make those  
4 corrections.

5 CHAIR PORTER: On her last note, the audit  
6 states doing management compliancy is one of the items, it  
7 doesn't look like there's anything in there that we didn't  
8 already have as a board. But, Don, you want to review that  
9 this morning, and if you have some things we'll bring it back  
10 to the board.

11 Any other questions of Jeff?

12 Jeff, I appreciate you coming down, you-all  
13 have done a great job getting this thing back in order down  
14 there. I appreciate your work that you-all put into it.

15 MR. ALLEN: Thank you, sir.

16 CHAIR PROTER: The only other thing on the  
17 Jackson County is they say they want us to stop reimbursing  
18 their payroll I guess effective May 30th. Do I hear a motion  
19 to do that?

20 MEMBER SHEFFIELD: So moved.

21 CHAIR PORTER: Do I have a second?

22 MEMBER VICKERS: Second.

23 CHAIR PORTER: Motion and second then, that  
24 we stop the reimbursement of payroll to Jackson County. Any  
25 discussion or questions?

1                   Hearing none, all in favor say "aye."

2                   THE BOARD: Aye.

3                   CHAIR PORTER: All opposed like sign.

4                   Motion carries.

5                   MR. HAYNES: Mr. Chairman, the next item we  
6 have was a clarification from the staff, we just want to make  
7 sure we're carrying out your will on a previously approved  
8 matter on Perry County ECD being eligible for up to 100,000 in  
9 start-up reimbursement. The ECD as opposed to purchasing  
10 controller equipment has chosen a lease option. And we just  
11 want to make sure, there would not be infrastructure acquired  
12 the old fashion way and if the board had a problem with us  
13 making that lease eligible for equipment reimbursement. It's  
14 just basically an option -- excuse me.

15                                 It's basically putting the revenue purchase  
16 versus lease type reimbursement. The staff has no problem with  
17 that, we just wanted a clarification from the board that that's  
18 what you intended.

19                   CHAIR PORTER: If they -- if they lease,  
20 would we just reimburse them every so often on their lease  
21 payment, is that what we would do, and that will come out to  
22 100,000? How does that work?

23                   MR. HAYNES: Perry County hasn't not gotten  
24 down to the details, but the way the staff understood it to be,  
25 whatever amount -- they are going to have inside costs, they

1 are going to have other costs. It's not like they're going to  
2 really bankroll the lease with this. We're just trying to make  
3 sure we can make them eligible for that 100. Because my guess  
4 is, is that they're -- don't hold me to this, Mr. Chairman,  
5 I'll get you more firm numbers, but just based on what I know  
6 about Perry County, I think they're going to spend close to  
7 200, 300 more in their total cost to get E-911 on line in that  
8 county.

9 CHAIR PORTER: You heard the request from  
10 the staff on Perry County to allow them to do the lease instead  
11 of actual purchase and they still go forward on their 100,000  
12 cost recovery. Do I hear a motion?

13 MEMBER MOODY: Is that a lease/purchase or  
14 is it just a straight out lease; do you know?

15 MR. HAYNES: I think it's a straight out  
16 lease.

17 I'm getting an affirmative nod. I'm getting  
18 an affirmation nod from the audience, Hickman County, I think  
19 they're familiar.

20 MEMBER BEEHAN: So moved.

21 CHAIR PORTER: Do I have a second?

22 MEMBER VICKERS: Second.

23 CHAIR PORTER: Motion and second that we  
24 allow Perry to the lease instead of a purchase. Any  
25 discussion?



1 amend that by deleting "with technical consultants" and just  
2 say "the executive director is authorized to enter into  
3 contracts" with all the other previous language in place. The  
4 comptroller or the comptroller's designee, and the general  
5 counsel would both have to concur with the executive director  
6 before a contract was approved or processed or entered into.

7 CHAIR PORTER: You heard the request from  
8 the staff to -- for us to revise Policy No. 3.

9 MEMBER MOODY: I move for approval.

10 CHAIR PORTER: Do I have a second?

11 MEMBER SHEFFIELD: Second.

12 CHAIR PORTER: Motion and second. Any  
13 questions?

14 MEMBER BEEHAN: Why was "technical  
15 consultant" put there in the first place?

16 CHAIR PORTER: Back in -- when we were --

17 MEMBER BEEHAN: Is there a reason for it  
18 being in there so there's a reason to take it out?

19 CHAIR PORTER: It was just -- at the time  
20 that was the only thing -- in our beginning infancy stage of  
21 this board, that was the only thing we could figure out we  
22 really needed. And we've outgrown it, quite frankly.

23 Other questions?

24 Hearing none, all in favor say "aye."

25 THE BOARD: Aye.

1 CHAIR PORTER: All opposed like sign.

2 Motion carries.

3 MR. HAYNES: Mr. Chairman, the last staff  
4 item is to authorize the staff to schedule -- to plan,  
5 schedule, and execute four to five public hearings across the  
6 state for the purpose of gathering public input information and  
7 to build a record on various matters for the board on the  
8 concerns of the ECD, especially policy issues under review by  
9 TACIR as recently mandated by the General Assembly. We would  
10 like to be able to conduct those within this next calendar  
11 year. But we'll just see how things go. But we would like  
12 authorization to do that as not only an opportunity to gather  
13 valuable input from the public but also to assist TACIR and its  
14 efforts in building a more complete and thorough record.

15 CHAIR PORTER: You've heard the request from  
16 staff to authorize and go ahead and work and schedule those  
17 meetings. Do I hear a motion?

18 MEMBER LOWERY: So moved.

19 CHAIR PORTER: Do I have a second?

20 MEMBER VICKERS: Second.

21 CHAIR PORTER: A motion and a second that we  
22 allow staff to set up these meetings. Any discussion?

23 I have to say, I think that's a great idea,  
24 when Anthony brought it up, that we go across the state and  
25 make sure we get everybody's input. It gives everybody an

1 opportunity to come and put their input on record and that way  
2 there's some data, some information for TACIR to build their  
3 study on.

4 Any other discussion or questions?

5 MEMBER MOODY: One question, Mr. Chairman.  
6 I wonder, are you planning to do any in conjunction with any  
7 other organizations that have concerns about E-911?

8 MR. HAYNES: The format that I had  
9 envisioned would be a public hearing format to where the staff  
10 in advance would invite various trade associations, public  
11 safety groups, governmental officials from an area, private  
12 citizens to come and offer testimony, say for instance, five to  
13 ten minutes per person testifying on the record. Have that  
14 transcribed. Let the exchange go back and forth with question  
15 and answer sessions. I've been to those things to where they  
16 start at 7 and go until 3:00 in the morning and sometimes they  
17 go to 11.

18 But I do think this -- I do think what  
19 you're raising the issue of would be addressed in the groups  
20 that we would solicit testimony from, as well as offering it to  
21 the people that wanted to get on the -- get on the agenda to  
22 testify at these public hearings.

23 CHAIR PORTER: You know, with TENA coming up  
24 at the end of September, that might be an opportunity to do one  
25 of those, one of the places that we can have one of those

1 meetings, to discuss. And TENA would be with us and work with  
2 us.

3 Any other discussion?

4 Hearing none, all in favor say "aye."

5 THE BOARD: Aye.

6 CHAIR PORTER: All opposed like sign.

7 Motion carries.

8 MR. HAYNES: Mr. Chairman that concludes my  
9 report. The staff appreciates the support from the board on  
10 these and other items.

11 CHAIR PORTER: I'd like to on Anthony's --  
12 the tail end of Anthony's report there say a couple of things.  
13 One is, they have in the last three to four months, their plate  
14 has been very full, and I guess when it comes to the  
15 multi-tasking, they have really pushed that to the limit.  
16 Visiting the counties and doing the -- doing the financial  
17 seminars they put on and trying to keep up with legislation and  
18 everything, they've just done a great job. And I know they  
19 probably have more gray hair now than they did before, but they  
20 have really been there.

21 You know, the -- I want to say this too,  
22 did a great job up on the hill this year, keeping up with  
23 legislation and, you know, it was someone up on the Hill, in  
24 ten minutes my cell phone would ring or my office phone, and it  
25 was amazing how quickly we could get information. You did a

1 great job. And Don on all of these financial seminars and  
2 stuff. And TJ taking care of everything coming in and out of  
3 the office. And Lynn on the legal. She did a great job on  
4 those wireless carriers, getting all those counties to report  
5 and everything. You-all have just done a great job, and I  
6 appreciate everything that you-all did and I thank you for it.

7                   The other thing is the four county visits  
8 that we did, I want to thank Van Buren and Sequatchie and  
9 Grundy and Bledsoe. They were very, very receptive to us when  
10 we went and made those visits. They gave us tours. They had  
11 the folks there that we needed to talk to to hear about what  
12 was going on in those counties. And Ike and Freddie and David  
13 Purkey, the board members that went with us out there, I  
14 appreciate you-all taking out your day and going with us.

15                   But I think it was a very eye-opening  
16 experience for those who didn't know what life is in little  
17 bitty small counties. They have a lot of difficulties they're  
18 having to face. And I apologize to David that we don't have  
19 any McDonald's for lunch. But I do appreciate that.

20                   Okay. The next item on the agenda is to  
21 consider a request by Verizon Wireless for reimbursement of  
22 their handsets. And we have Verizon here today.

23                   First I would like to say, if you-all  
24 remember back when we were doing cost recovery and we started  
25 bringing it to the point -- bringing it to the board, just

1 remember that you can't do any much discussion here on numbers  
2 we have to be careful on the confidentiality of the wireless  
3 carriers. But we had first voted not to do reimbursement for  
4 handsets. But I think there may have been some change of heart  
5 by some folks and we asked John Buchanan with Verizon Wireless  
6 to come and be with us today and to give us a small  
7 presentation of their request.

8                               MR. BUCHANAN: Thank you, Mr. Chairman. My  
9 name is John Buchanan. I represent Verizon Wireless. And  
10 Verizon wireless does indeed appreciate the opportunity to  
11 revisit this issue with -- with the board. We think it's an  
12 important issue. And the chairman of the board made a comment  
13 that it will be a small presentation, and I can assure you it  
14 will be exceedingly small.

15                               Verizon's position is that the technology  
16 necessary to provide Phase II data is the same whether you  
17 chose to put the equipment at the cell site, the so-called  
18 "location measuring unit" or LMU or you do that in the handset  
19 with the GPS chipset. They are functionally equivalent pieces  
20 of equipment necessary in -- either in the network physically  
21 or as associated with the network, as the handset is. So we  
22 think it is -- it is reasonable and acceptable that both be  
23 treated identically.

24                               So to the extent that those carriers that  
25 utilize the network based equipment, putting LMUs at the cell

1 site should not be advantaged by being reimbursed for that  
2 equipment while carriers that have chosen to use the GPS  
3 solution would be disadvantaged under some decision not to  
4 reimburse handsets because the thinking is the handset is  
5 purchased by the customer and the LMU was purchased by the  
6 carrier, when, in fact, the handsets were actually purchased by  
7 the carrier as well for resale to the customer.

8                   So that's our basic fundamental philosophy.  
9 We think both are equally viable and eligible reimbursement  
10 items. But to the extent that some boards across the country  
11 have chosen to take a different approach, we think that they  
12 should at least, at minimum be treated equally. So whatever  
13 the decision is, it be -- it be fair to both types of  
14 solutions.

15                   So that's our basic premise. We appreciate  
16 the opportunity to answer any questions that the members of the  
17 board might have for us, and I'll do the best I can to respond.

18                   CHAIR PORTER: Any questions?

19                   MEMBER BEEHAN: I was going to ask, what's  
20 the staff's -- you mentioned -- what's the staff's  
21 recommendation? I'm not sure --

22                   CHAIR PORTER: Let's get questions first, if  
23 you want to -- does everybody understand what we're talking  
24 about of the board reimbursing a small piece of the cost of the  
25 handset for folks to change it out or use a GPS?

1                   One thing I -- I'm not sure that -- there's  
2 members of us that are not -- may not be involved with 911 on a  
3 daily basis, but the directors, I think, see every day how much  
4 more accurate the handset solution is than the triangulation  
5 method. And we've -- and all the carriers that I've help  
6 deploy in my county, the handset solution is almost right on  
7 the head. It's almost scary sometimes at how close it is.

8                   I mean, you've got GIS mapping where you can  
9 locate, most counties do. That is -- it's amazing. And  
10 compared to some of the triangulations tests we've done,  
11 there's just no comparison. I may be wrong, but I think in the  
12 next few years you're going to see all the carriers with this  
13 GPS chip technology.

14                   One thing, John, that we've talked about,  
15 and I have -- I have a latent concern over it, and I'm hoping  
16 that Verizon will agree to do something to help work this out.  
17 I see all the -- all the ads on TV and all the ads in your  
18 stores, you know, "Can you hear me now? Can you hear me now?"  
19 I guess to get folks to change their handsets out quicker, can  
20 we not do some kind of an insert in your bills or some little  
21 thing in your stores or something that makes people aware of  
22 that GPS phones are -- that 911 can find them and all?

23                   MR. BUCHANAN: I think that's a reasonable  
24 question, Randy. And I'm going to address it in a couple of  
25 ways.



1 with you in principle that the idea is to get as many of those  
2 phones out there as soon as we can. But we don't want to be in  
3 a position where we mislead customers to thinking that wherever  
4 they go this is going to happen. Because it isn't. Maybe at  
5 some point down the road it will.

6 CHAIR PORTER: Do you think that at least we  
7 could do something just in the -- and I'm not -- in your  
8 billing base, do some kind of insert maybe just in the  
9 Tennessee bills and do just some store ads. I mean, I've seen  
10 some local stuff. I know your Verizon folks in Cookeville do  
11 all kinds of little campaigns there all the time that's not  
12 necessarily done on a nation basis, it's just for that local  
13 market. Do you think we could look at some of that stuff?

14 MR. BUCHANAN: It wouldn't be my position to  
15 make that commitment today to you. I do know that our public  
16 policy people are looking at it based on the inquiries that you  
17 and Anthony have made to our company. It's not off the table.

18 So I guess I'll leave it at that at this  
19 point. I'm not in a position to commit, but I know that it is  
20 on the table for -- for some evaluation as to how would be the  
21 best way to do that.

22 CHAIR PORTER: Would you-all still be  
23 willing to work with us on things like that?

24 MR. BUCHANAN: I think so. I think I can  
25 make that commitment that we -- because it's in our interest as

1 well. And in a state like Tennessee where the risk of PSAP --  
2 I mean, there's only like, as I understand it, four that they  
3 wouldn't be found, it may be that we can work something out.

4                   The other thing is, as you know, under FCC  
5 rules we're required to have all the phones churned out by the  
6 end of next year anyway. So we're even within an 18-month  
7 window. I shouldn't say all -- I should say 95 percent, that's  
8 what the law says.

9                   95 percent of the phones have to be GPS  
10 capable by the end of next year. So we're kind of in an  
11 18-month window. So there's going to be some tradeoff, the  
12 cost of bill insert or some sort of advertising versus what  
13 penetration that would do over what 18 months is going to have  
14 to do anyway. See, we have that built-in incentive to do  
15 something anyway, even if you didn't ask. We've still got to  
16 make that mapping. And we have to do that everywhere.

17                   MEMBER BEEHAN: Is that the new phones  
18 you're talking about?

19                   MR. BUCHANAN: I'm sorry?

20                   MEMBER BEEHAN: The FCC rule, does that have  
21 to do with the new phones coming on the market --

22                   MR. BUCHANAN: No.

23                   MEMBER BEEHAN: -- or does that have to do  
24 with the total population?

25                   MR. BUCHANAN: Total population.

1 December 31, 2005, 95 percent of the embedded base has to be  
2 GPS capable.

3 MR. HAYNES: I would add, for the sake of  
4 discussion, that just because that is the FCC standard now, if  
5 the wireless carriers have trouble meeting that I would not be  
6 surprised if the FCC would grant some sort of a temporary  
7 extension.

8 So the public should not look at that as a  
9 drop-dead deadline for the carriers because, you know, it's  
10 kind of hard for a wireless company to make Tom Beehan come in  
11 and change his phone out.

12 MEMBER BEEHAN: You're right.

13 MR. BUCHANAN: There are still black desktop  
14 rotary phones out there.

15 MR. HAYNES: A lot districts and probably a  
16 lot of general public are saying, oh, well, if it's got to be  
17 that way then fine, then why are we doing this. Well, not  
18 necessarily. The FCC has one heck of a track record on giving  
19 extensions and waivers. That's one reason why we're  
20 implementing E-911 in 2004 as opposed to 1998.

21 MEMBER BEEHAN: It's a heck of a marketing  
22 deal for you guys.

23 MR. BUCHANAN: I'm sorry?

24 MEMBER BEEHAN: It's a heck of a marketing  
25 deal for you guys.

1                   CHAIR PORTER: That's what I think too. I  
2 think that, you know, there's a lot of incentives I see going  
3 on in the wireless market that gets folks in and makes them  
4 want to change them phones.

5                   MR. BUCHANAN: Absolutely. Absolutely. I  
6 don't know that -- I mean, Anthony's point is well taken. It  
7 may be a challenge to do make 95 percent. I don't know that.  
8 I'm not in the marketing business. I don't how fast they can  
9 churn these. But right now that's the rule. So we have to do  
10 something unless the rule changes.

11                  CHAIR PORTER: Other questions?

12                  MEMBER RICH: In the back of our minds, I  
13 guess, the question is, if we approve this, then when I renew  
14 my contract with you in July or August, whenever it is, is that  
15 phone going to cost me again a little bit higher because of  
16 putting the chip in or -- we're not going to be paying you-all  
17 twice?

18                  MR. BUCHANAN: Well, I have put together a  
19 plan that's shared with -- with Anthony as to how we would  
20 address this whole issue of multiple phones for the same  
21 subscriber. And we think it's a fair and equitable plan. It  
22 also is a -- is a plan that's auditable. And so I think it's  
23 reasonable.

24                  And the answer -- I think the short answer  
25 to your question is, basically, it's one phone per subscriber

1 and that will be the end of it.

2                               MR. HAYNES: If I might add to that,  
3 Mr. Chairman, I think what Member Rich is getting at is to make  
4 sure there will be no, quote, double dipping. And the way that  
5 would be preventable is through two processes that are ongoing  
6 right now. Through the annual true-ups that are in place with  
7 the wireless carriers, to catch it there. But then also too,  
8 if that misses through somehow or another, there are also  
9 biannual audits that we're going to be doing, as you-all  
10 approved earlier in this year, with all wireless carriers that  
11 will be on all the dollars that go back and forth between our  
12 respective organizations.

13                              So there are two mechanisms in place to  
14 attempt to prevent that, if that's a concern of the board.

15                              CHAIR PORTER: Do you want to go ahead and  
16 give your recommendation, Anthony?

17                              MR. HAYNES: Yes. Mr. Chairman, we, as you  
18 know, the staff kind of lead the recommendation not to do these  
19 handsets back two years ago. And I'll tell you why we did.  
20 Well, I'll tell you why we're changing that today and we're  
21 going to recommend supporting this request by Verizon.

22                              Our thinking has evolved. At the time we  
23 made this recommendation no one had deployed, not even our  
24 trial had deployed Phase II in this state. Nobody knew  
25 anything about it. We learned a lot about it through the last

1 two years in helping carriers, helping third party vendors,  
2 helping PSAPs deploy, and the bottom line, Mr. Chairman, is  
3 that little chip in that telephone is worth as much as those --  
4 and this is not uncommon -- anywhere between 20 and \$40,000  
5 boxes, black boxes of technology at the cell tower site.  
6 Without that chip you don't get -- from what I've seen, in  
7 every case that I've had personal experience, that chip gets  
8 you within three feet for that network. It may get you across  
9 the street or down a couple of blocks. I am a believer in that  
10 technology.

11                   We also thought that given the intent and  
12 the spirit of the law that was passed in 1998 that by not  
13 reimbursing these handsets we weren't in violation of the state  
14 law, but we certainly were not within the scope of intent. And  
15 what I'm talking about -- because I know we have some attorneys  
16 in the audience, 78 -- and on the board -- 7-86-307(c), "The  
17 board shall not require the commercial mobile radio service  
18 provider to select or deploy particular commercial solutions to  
19 meet the FCC's rulings or orders." And I'll stop right there.

20                   We're not required, but arguably that  
21 language was put in so that the state board could not force a  
22 carrier to pick one technology over another. It may not have  
23 been the case with Verizon, but let's say I'm running the local  
24 telephone co-op and you're telling me that you're not going to  
25 reimburse my handsets but you will a network solution, for a

1 co-op or a small company, I've just made the decision to go  
2 network. As inefficient as it may be, as tens of millions of  
3 dollars more per carrier that it may cost, I've just made --  
4 you've help me make that decision. And maybe I'm wrong, but I  
5 don't think that was the spirit and the intent of the law when  
6 it was passed in 1998. And I think we're getting a little too  
7 close to that. So that was a big thing that really affected my  
8 thinking on that.

9                                   Another thing is, is that this so-called  
10 reimbursement would cease, I think, in 2005, is what Verizon  
11 has proposed. So it's not like a perpetual from day to kingdom  
12 come, unlike network solutions that these costs are going to  
13 have to be paid and paid and paid on an annual basis. This was  
14 basically for a period to cover about three -- one year of  
15 dealing with what's already on the market, then two years going  
16 up to 2005.

17                                   MR. BUCHANAN: That's correct.

18                                   MR. HAYNES: I would also use an analogy  
19 that -- as I said the chip -- this is part of the technology,  
20 although it's much cheaper than the network solution and the 20  
21 to \$40,000 black box. It is to the wireless carrier in  
22 delivering that 911 as the controller unit is to a PSAP.  
23 Without it you ain't got it.

24                                   And it's just -- and it's just a matter, I  
25 think, of fairness. It's a matter of -- as a matter of fact, I

1 think if the FCC had it to go all over again, in hindsight,  
2 they might have mandated GPS technology as opposed to network  
3 technology to save cost to the consumer and the states and the  
4 PSAPs around the country.

5                               So we took all that consideration. We're  
6 not the only one. Kentucky looked at it. North Carolina  
7 looked at it. Our fellow boards in other states not only  
8 looked at it but approved it for the carriers in other states,  
9 is my understanding. So I think if the board is interested in  
10 taking the staff's recommendation of approving this you would  
11 certainly be on solid legal policy and financial and precedent  
12 grounds of what's going on around the country to join in and do  
13 that.

14                               CHAIR PORTER: Other questions or  
15 discussion?

16                               MEMBER LOWERY: Is there any efforts or what  
17 have you put into that chip going into air cards people carry  
18 around as their laptops used as telephones.

19                               MR. BUCHANAN: I don't know the answer to  
20 that. I'm sorry, I don't know. The air card is, in fact, a  
21 cell phone. It can be used in that regard. But I'm not aware  
22 that it's being used in that -- in that way.

23                               I'd be happy to go ask the right people and  
24 get back to the board. I'd be happy to do that and let you  
25 know. I just don't know.

1                   MEMBER LOWERY: And the other thing is, does  
2 our technical consultant, Rex, have anything to add to anything  
3 we haven't heard?

4                   CHAIR PORTER: He always has something to  
5 add. Rex, you have anything?

6                   MR. HOLLAWAY: Well, I try -- and this is  
7 not meant to come across as being negative.

8                   CHAIR PORTER: Rex, microphone.

9                   MR. HOLLAWAY: Rex Hollaway, technical  
10 consultant. You might just address the issue of GPS in a  
11 metropolitan area. Honestly, in a more rural scenario, GPS and  
12 access to satellites is a very easy thing to accomplish. But I  
13 see this as a very minor issue, but I think it's -- you know,  
14 just to get on the table you might just address the issue of  
15 metropolitan areas.

16                   MR. BUCHANAN: Sure. Obviously, if you get  
17 the kind of performance that Anthony has referenced you need to  
18 get multiple satellites; four, five, six satellites  
19 simultaneously seeing that -- that handset and producing a good  
20 result. The more dense urban environments, that becomes  
21 problematic. There's a lot of technical issues that I'm not  
22 comfortable with discussing, but there's -- the satellite  
23 signal gets bounced between the buildings. Even it can  
24 actually see it, there's other issues associated with it.

25                   Our experience has been that -- that the --

1 only the most -- and I'm talking Manhattan type of environment  
2 presents a significant problem in not being able to meet the --  
3 the requirements. Now, we can get -- we could probably use up  
4 the rest of the day arguing about the -- what does compliance  
5 with the FCC rules mean in terms of the 95 and 67 percent  
6 measurements. But when you look at our footprint as the entire  
7 platform of our PDE and the way it works, we're well within  
8 those -- within those mandated limits.

9                                 But that's not to say that there are not  
10 pockets out there where it doesn't produce that kind of result.  
11 It is -- it's a limitation of the technology. But this is not  
12 the first time that I've heard people from the public safety  
13 side echo those comments that Anthony made earlier about the  
14 accuracy of the equipment.

15                                 MR. HOLLOWAY: And I would just add, I think  
16 you would less likely to be at risk in a high-rise structure  
17 environment than you would be out in a more flat land, rural  
18 type --

19                                 MR. BUCHANAN: You guys are on that side of  
20 the business. I guess I could give you my opinion, but I think  
21 that's right. Most people know what building they're in. Even  
22 if they don't know the address, they kind of know where they  
23 are. When you're out hunting you may not have a clue where you  
24 are.

25                                 CHAIR PORTER: You probably have a number of

1 good samaritan calls --

2 MR. BUCHANAN: Absolutely. Absolutely.

3 MR. HAYNES: Mr. Chairman, I would just also  
4 add that, and I think it kind of -- would just be good  
5 information for the public to know -- and I'll go ahead and  
6 tell John, not to get his blood pressure up, of course, I'm not  
7 going to get into numbers. But we checked on this with one of  
8 the major -- I guess the major company that does this in the  
9 nation for wireless handsets and has contracts with a lot of  
10 handset manufacturers in the country and inter-nationally --  
11 and at that time, and this is while we were at the FCC last  
12 fall, I think general counsel was with me, if you were to go  
13 today with a massive order and go to that company and try to  
14 buy this, the chip itself, they said, was about 70 cents. But  
15 what Motorola charged companies and other handset manufacturers  
16 to program that and to make that chip work not only with the  
17 network and with that particular handset device was less than  
18 \$10, total.

19 And I would like to add, without discussing  
20 any numbers, that the number that was quoted that that cost  
21 Verizon is even coming in lower than that. So I don't want the  
22 public to walk away from listening to this meeting thinking,  
23 oh, I can probably get 20, 30, \$40 off my next handset because  
24 the State 911 Board agreed to reimburse some of the location  
25 technology on some of the handsets. It's a very small amount,

1 but it's a small amount if you do it over the state of  
2 Tennessee it adds up to the company. So I just -- I wanted to  
3 bring that to your attention, kind of what we're talking about  
4 in real dollars without violating confidentiality regulations  
5 and agreements with the companies.

6 CHAIR PORTER: Okay. Any other discussion  
7 or questions?

8 MEMBER SHEFFIELD: Mr. Chairman, I need to  
9 recuse myself from voting.

10 CHAIR PORTER: Okay.

11 Okay. Do I have a motion to approve the  
12 request from Verizon for reimbursement for the handsets?

13 MEMBER VICKERS: So moved.

14 CHAIR PORTER: Do I have a second?

15 MEMBER MOODY: Second.

16 CHAIR PORTER: Motion and a second that we  
17 approve. Any other discussion?

18 Hearing none, all in favor say "aye."

19 THE BOARD: Aye.

20 CHAIR PORTER: All opposed like sign.

21 Motion carries.

22 John, I want to say, I think Anthony would  
23 echo this, Verizon has been great to work with on deploying  
24 Phase II. Not only Verizon but TCS, your second party or first  
25 party vendors there. You-all came in and you deployed the

1 state of Tennessee. You've come back and helped us get these  
2 counties, some of them that are now just coming on line. And I  
3 want to say thank you and pass it along to your coverts at  
4 Verizon that we're very appreciative that you-all helped us.

5 MR. BUCHANAN: Randy, thank you very much  
6 for those kind words. And I would echo, reflect the same thing  
7 to this board. This board is -- its reputation is well earned  
8 because not only are you a financial board but you are a  
9 technical board, you work with your PSAPs, you work with the  
10 wireless carriers. We don't get that kind of support in all of  
11 the states. We get a lot of support on the financial side but  
12 readiness and other issues the board tends to stand back.

13 So we -- I think there's a reason why we  
14 both think the other side is doing a great job. Because both  
15 sides are.

16 Randy, if you would indulge me just one  
17 extra minute, just a personal announcement. I have elected to  
18 retire from Verizon Wireless this year and I'll be leaving at  
19 the end of July. So with that in mind, I would like to  
20 introduce Peter McHale who will be assuming my role until such  
21 time they can replace me. And whether Peter does this and they  
22 replace him or they get someone to replace me, that's yet to be  
23 determined.

24 But I would like to extend my personal  
25 thanks for all the support and assistance, and maybe more

1 importantly, the patience when we worked with some of the early  
2 issues with TCS and some of the other things that have  
3 happened. This board and PSAPs in general have been very easy  
4 to work with in Tennessee. And so I appreciate that. Thank  
5 you very much.

6 CHAIR PORTER: John, congratulations, I hate  
7 to hear that you're leaving but I know whatever you're getting  
8 into next, I wish you well in whatever you do.

9 MR. BUCHANAN: My next job is going to be,  
10 "How many in your party?"

11 CHAIR PORTER: Okay. The next item on the  
12 agenda is a request by Cellular South for approval for some  
13 additional costs for Phase I.

14 MR. HAYNES: Yes, Mr. Chairman. The board  
15 has previously approved Cellular South's Phase II cost recovery  
16 plan, I think at the January board meeting with a number of  
17 other carriers. Since then the carrier has made us aware that  
18 they are switching their call path signalling facility format  
19 from H-Cast to N-Cast. And there's very little difference in  
20 terms of the amount of dollars in that.

21 If it's a simple addition of towers, the  
22 general counsel has ruled that whenever those requests come  
23 along that I am to continue to carry out the board's  
24 administrative decisions and policies. I can approve those.  
25 But when it comes down to technical changes in the plan that

1 would change the approach or what you-all had been represented  
2 of how the plan would go about, it's been her recommendation,  
3 and I fully concur, to bring those back to the board.

4                   So at this time I would like to offer a  
5 recommendation to simply offer a motion to approve, if you  
6 would, to accept the carrier's cost recovery plan because it's  
7 merely a change from H-cast to N-cast.

8                   You've looked at, Mr. Chairman, and Rex  
9 Hollaway and we had a couple of board members reviewing it this  
10 morning, and all appears to be well.

11                   CHAIR PORTER: You heard the recommendation  
12 for approval for Cellular South, do I hear a motion?

13                   MEMBER BEEHAN: So moved.

14                   CHAIR PORTER: Second?

15                   MEMBER VICKERS: Second.

16                   CHAIR PORTER: A motion and a second. Any  
17 discussion?

18                   Hearing none, all in favor say "aye."

19                   THE BOARD: Aye.

20                   CHAIR PORTER: All opposed like sign.

21                   Motion carries.

22                   We'll move about one more, if you-all want  
23 to, then we'll take a short break before we get into the rate  
24 increases.

25                   The next item is to consider a request by

1 the Carroll County Emergency Communications District Board of  
2 Directors on purchase of address markers, and I'm going to let  
3 Lynn, our attorney, talk to this matter first. It might save  
4 us a lot of time.

5 MS. QUESTELL: Thank you, Mr. Chairman.

6 You-all may not know, but there are four  
7 attorney general opinions that kind of talk around the  
8 addressing topic and talk around the idea of reimbursement  
9 for -- for those costs or whether they are acceptable costs.  
10 And there's nothing that is exactly on point. But they were  
11 close enough, because they were about signage, they were about  
12 the districts being able to dispense money on that as opposed  
13 to the board putting in its revenue standards that I had an  
14 opportunity to talk with a representative of the attorney  
15 general's office and we agreed that the best approach here  
16 would really be to ask for another attorney general opinion on  
17 this so that -- the attorney general's office is our lawyer.  
18 And it would not really be something that I would advise to  
19 just ignore something this close to what they've already spoken  
20 on.

21 So it would be my recommendation and request  
22 that the board would simply defer this decision right now until  
23 we hear from the attorney general. And I would ask you-all to  
24 request another attorney general's opinion on specifically the  
25 board's power to change the revenue standards to allow for

1 addressing.

2 CHAIR PORTER: You've heard our attorney's  
3 request that we not get into a big discussion on it today and  
4 that we ask for an attorney general's opinion just to put us in  
5 the clear as to what power we have, if this is going to be  
6 legal or not.

7 Lynn, do we even need to hear from the  
8 Carroll County folks?

9 MS. QUESTELL: Well, I would suggest that  
10 their position would be much stronger after we hear from the  
11 attorney general. And it would be really helpful to hear what  
12 they have to say after we know what the attorney general has  
13 said.

14 CHAIR PORTER: And I appreciate you-all  
15 folks coming I think this will --

16 CARROLL COUNTY REPRESENTATIVE: This is the  
17 best way to go.

18 CHAIR PORTER: Okay, I appreciate that.

19 Board members, do I hear a motion, should we  
20 ask for an attorney general's opinion on this and defer this  
21 item until we've heard back on that?

22 MEMBER RICH: So moved.

23 CHAIR PORTER: Do I have a second?

24 MEMBER SHEFFIELD: Second.

25 CHAIR PORTER: I have a motion and a second

1 to defer and to ask Lynn to draft a request to the attorney  
2 general for an opinion. Any discussion?

3 MR. HAYNES: Mr. Chairman, might I just add  
4 at this point that it might be better for -- instead of the  
5 board -- you know, the board can ask for an AG opinion, there  
6 are a number of -- there's a procedure you have to go through  
7 in the state government. Ultimately, I think it has to be  
8 approved or asked by the Governor's office. But maybe in this  
9 case it might be better not only for -- to make it more --  
10 happen in an expeditious manner, but also good politics and  
11 building relations between Carroll County and their local  
12 representatives, like Representative Maddox and state Senator  
13 Roy Herron, to formally ask for an AG's opinion of this matter.  
14 Which the board and staff could help them write that, so to  
15 speak.

16 That would just be the suggestion of the  
17 staff.

18 MEMBER MOODY: Could -- I think that's a  
19 good suggestion. And I'm wondering also, if it wouldn't be  
20 helpful in doing this that the Carroll County Board also be  
21 involved in being one of the persons seeking this information  
22 through the representative and the state senator.

23 MEMBER LOWERY: I was thinking I had seen  
24 something in the press up our way that local entities are no  
25 longer going to be allowed to access the attorney general's

1 opinions.

2 MR. HAYNES: The formal and informal opinion  
3 process for the attorney general's office was recently -- the  
4 policies regarding that -- governing that have been revamped  
5 where there are no more informal attorney general's opinions,  
6 period.

7 Quite frankly, the word I got through the  
8 Commissioner's office, I'm sure it came from the Governor's  
9 office, that there was a feeling that a lot of these opinions  
10 over the years had been abused. And ironically, they were  
11 abused by members of the general assembly. So they have really  
12 tightened up, for lack of a better word, how these opinions are  
13 rolled out and what manner they are.

14 The board can always go through the  
15 Commissioner -- because we're attached to Commerce and  
16 Insurance, can go through the Commissioner of Insurance to get  
17 that and through the Governor's office. But I am told that it  
18 moves much more quickly for a member of the general assembly to  
19 formally and in the correct way ask for it.

20 BOARD MEMBER: I'll amend that we make that  
21 part of the motion, that we ask the Carroll County Emergency  
22 Communications District to be the one to request the AG's  
23 opinion.

24 CHAIR PORTER: Any other discussion?

25 Hearing none, all in favor say "aye."

1 THE BOARD: Aye.

2 CHAIR PORTER: All opposed like sign.

3 Motion carries.

4 Will you-all work with Anthony and the staff  
5 to do that? That would be great. We'll hear it at a future  
6 board meeting.

7 Let's take us about a five or ten-minute  
8 recess and then we'll come back and we'll hear the Johnson City  
9 ECD rate increase.

10 (Break in proceedings.)

11 CHAIR PORTER: We'll come back to order.

12 The next item on the agenda is to consider  
13 the rate increase request of Johnson County. I'll ask that the  
14 Johnson County folks come up and have a seat at the table.

15 We'll follow our usual procedure. And, Don,  
16 I'll turn it over to you.

17 MR. JOHNSON: Mr. Chairman, Johnson County  
18 is here for a rate increase. You have a population of 17,499,  
19 that's as of the 2000 Certified U.S. Census. They are -- with  
20 that they are a Level V district. And their request for a rate  
21 increase is to raise their residential rates from 65 cents to  
22 \$1.30. They're going to keep their business rate the same, at  
23 \$2.

24 The reason for that rate increase was  
25 basically to help out the local government and to help fund

1 their salaries. And they have a number of agencies that they  
2 dispatch for. And also they have -- well, they have one  
3 director, eight full-time dispatchers, and eight part-time  
4 dispatchers. Like I said, they would like to use those -- use  
5 their rate increase for that -- for the payment of dispatchers.

6                   If they were -- they figured if they were  
7 rejected of this rate increase then they would just have to go  
8 back before the City and County government to request to pay  
9 the dispatchers.

10                   As far as the equipment -- well, back it up.  
11 Their findings, from looking at their audit report, they have a  
12 number of findings. Some were repeat findings dealing with  
13 their general ledger, for one thing double-entry accounting  
14 system. I have not received their fiscal year '03. I had  
15 talked to the director, Eugene, this week, I think it was, and  
16 the audit was ready at that time. But I haven't received it in  
17 my hands. So I haven't had a chance to review it.

18                   But that double-entry bookkeeping was one of  
19 their findings and written policies for management issues, were  
20 the major the findings that they were repeat findings for.  
21 Also they -- in the past they had overexpenditures of the  
22 budget. Some were small amounts, but some were kind of large.

23                   They have pretty much -- if I'm not mistaken  
24 they've moved into another facility and the equipment that they  
25 are using is owned by Johnson County, and they pretty much

1 lease it for \$1 a year. They have four 911 trunks and six  
2 administrative. They have -- as far as total residential  
3 lines, they have 7,105. And as far as business lines they have  
4 \$1,549. Total lines 8,654.

5                   Looking at their five-year projection on  
6 page 9 of what they submitted to us, fiscal year '05, of course  
7 they expect that the increase to begin July 1, 2004. If they  
8 do that they will have pretty much a full year of the rate  
9 increase. And we look at having -- comparing it to \$89,603.16  
10 without the rate increase to having an increase with the rate  
11 increase of 145,139. And with that also, the district will  
12 have a net income -- or expected to have a net income of  
13 88,239. Also the district expects the County to -- the County  
14 and the City of Mountain City to make up a little bit of the  
15 difference with the rate increase.

16                   They pretty much have a net income, the way  
17 it looks on the spreadsheet, all the way across the board with  
18 the same type of rate increase -- I mean, the same type of rate  
19 structure, and the increase for 2009 would be compared with  
20 \$91,250 without the rate increase to \$147,100 with the rate  
21 increase. And they expect to have a net income of 42,744.

22                   On my projections that I've done on the  
23 handout that you have with you, it would be page number 11, I  
24 used the same numbers, expenditure numbers that they used for  
25 their five-year plan. What I pretty much did, I used their

1 same expenditure numbers and for 2004 I used their budget  
2 numbers that they sent in to us earlier for their budget. So  
3 those, basically, are everything they expect to use for the  
4 budget.

5                   But as far as 2005, I plugged in for the net  
6 user fee, service fee, I used their current rates, pretty much  
7 their current rates -- not the current rate, but their current  
8 number of subscribers, multiply that by their projected  
9 increase. So that comes out to 147,811. Then I applied that  
10 across the board, and it comes out to what they have.

11                   With that, in 2005 they would have a net  
12 increase -- I mean a net income of 94,440. And they would  
13 continue to have a net increase -- net income -- sorry -- until  
14 2009 of 32,904. Their retained earnings, 2009, should expect  
15 to be about 569,408.

16                   As far as cash, I started out with their  
17 beginning cash from their closest cash acquired on what I got  
18 from the -- from Eugene when he told me about the audit report  
19 and gave me cash figures, and I put in the beginning cash and  
20 then put in the net income and depreciation at that time to  
21 come up with your cash. So therefore, all the way up to the  
22 year 2009 they expect to have at least \$452,792.

23                   Any questions?

24                   MEMBER BILBREY: On the line there where  
25 you've got the Tennessee Reimbursements and GIS Maintenance

1 Grants, where's that 40,000 coming from?

2 MR. JOHNSON: That's 30,000 for the  
3 dispatcher grant and 10,000 for the GIS.

4 CHAIR PORTER: Any other questions of Don?

5 MEMBER BILBREY: Does this also mean, Don,  
6 that the inter-local agreements, the rate of -- or the amounts  
7 that are being paid by the other governments is going to remain  
8 the same all the way out?

9 MR. JOHNSON: There should be. That's what  
10 they're expecting. There is a letter that was also included  
11 this morning that Eugene had just received an agreement with  
12 the County and expects to get that much, 84 -- I think it was  
13 84,000.

14 MEMBER BILBREY: That's from the County?

15 MR. JOHNSON: Yes.

16 CHAIR PORTER: I should have done this  
17 before for Tom, I don't think we heard a rate increase since  
18 you've come to the board. The way we normally do a rate  
19 increase request is we hear from the staff, from Don, with the  
20 numbers. And then we hear a technical overview from Rex of the  
21 site visit that he did. And we'll hear from the district,  
22 then, on what they propose. And then after we've heard from  
23 everybody, then we'll go into deliberations of the board and  
24 we'll make a decision.

25 MEMBER BEEHAN: And that would be the

1 appropriate time to ask questions?

2 CHAIR PORTER: You can ask questions at any  
3 time, you know, specifically of Don. What we want to do is  
4 kind of hear all the stuff and then you if have other  
5 questions -- I apologize for not saying that before. Sorry.

6 Other questions of Don before we hear Rex's  
7 report and hear from the district?

8 Rex, you're on.

9 MR. HOLLAWAY: I'm going to do something a  
10 little different today, so I hope you guys over here can see  
11 this okay. And I'll step back and let you look at these  
12 slides.

13 This is the facility that Johnson County has  
14 their PSAP in. It's the Johnson County Sheriff's Department  
15 and jail facility. And one of the -- it's a very plush  
16 facility and a very friendly equipment environment that they  
17 have there at their PSAP. This visit was made on April the 8th  
18 of this year.

19 The center is actually operated by the ECD.  
20 All calls within the county are directed to the 911 system.  
21 They've been located in the Sheriff's Department facility since  
22 December of 2003. So they haven't been there very long.  
23 Although the building has been there longer than that.

24 They have four 911 trunks. Two of those  
25 trunks are dedicated for wireless purposes and that's pretty

1 much so that we can have the wireless calls. And I want to --  
2 is the County still here? And I think two wireless trunks are  
3 used -- it's done that way so they don't overload the entire  
4 bank with 911 calls.

5                               This is the dispatch center itself. It  
6 actually has two positions. They have seven full time and  
7 eight part time. And the staff at this point is only a  
8 director. And he does addressing and everything else related  
9 to administrative -- the operation of the PSAP of the 911  
10 system.

11                              They use CML Rescue, E-911 controller  
12 system. They have eleven consoles. They also have the GPS  
13 mapping system. And here's just pictures of their equipment  
14 room.

15                              These are the comments that I had in my  
16 conversation with Eugene on my site visit: They do plan to  
17 upgrade to the CML system to provide call information. Which  
18 has been sort of an interest to them based on -- to provide  
19 some call data. They've been doing it manually because they  
20 don't have any other system. They also want to purchase a  
21 vehicle and the addressing equipment to better maintain their  
22 addressing system. And also they could use an upgrade to the  
23 Zetron radio system.

24                              And board members, I think that's it.

25                              CHAIR PORTER: Any questions of Rex on the

1 site visit or the technical side of it?

2                   Hearing none, the members of Johnson County,  
3 if you-all would introduce, maybe if one of you -- do you want  
4 to start and introduce everybody else or --

5                   MR. STEWART: I'm Randy Stewart. I'm the  
6 chairman of the Johnson County 911 Board. This is Eugene  
7 Campbell, he's our director; with Mr. Bob Graybeal, he's a  
8 member of our 911 board; and Mr. Tom Taylor, who is a member of  
9 our 911 board.

10                  CHAIR PORTER: Did any of the -- what about  
11 the Mountain City folks, did any of those come?

12                  MR. STEWART: Yes, sir.

13                  CHAIR PORTER: Okay.

14                  MR. STEWART: I think Eugene --

15                  MR. CAMPBELL: Basically, the reason we've  
16 applied for a rate increase is to help take off some of the  
17 burden of the county governments to pay us for our salaries.  
18 If granted this increase I think this would help solve this  
19 ongoing dispute we've been having with the town of Mountain  
20 City.

21                  CHAIR PORTER: Tom, I don't know whether you  
22 were on the board when we heard the original Johnson County  
23 dispute. Anthony, do you want to bring him up to date a little  
24 bit before we --

25                  MR. HAYNES: I'll refer to general counsel

1 she worked on the order that you-all issued, on pretty much a  
2 daily basis.

3 MS. QUESTELL: There's been a dispute that  
4 was brought before the board earlier this spring before you  
5 started between the town of Mountain City and the Johnson  
6 County Emergency Communications District that related mainly to  
7 the funding that Mountain City was going to provide -- excuse  
8 me -- to the ECD.

9 There had been a change in location, as you  
10 say, they moved -- the ECD moved into the county owned jail  
11 facility and there were some issues about whether Mountain City  
12 was getting an equal or fair cost assessment for their  
13 participation financially in the ECD. And Mountain City passed  
14 a resolution to substantially reduce their contribution from  
15 somewhere around \$84,000 to around \$25,000, which caused the  
16 ECD to threaten to reduce the services that they were going to  
17 be providing to Mountain City. And that caused Mountain City  
18 to pass a resolution seeking our intervention in the dispute  
19 pursuant to 7-86-312.

20 And where we left it at the last meeting,  
21 where all the parties were here, was that the board had asked  
22 all the parties to go back and try to work this out for  
23 themselves and try to get some statistics about where the calls  
24 were coming from, who was -- who was being served, what the  
25 statistics were as far as the service that the ECD was

1 providing, and to try to reach an equitable solution.

2                                 And I am unsure -- I know that there have  
3 been some communication back and forth between the mayor and  
4 the ECD, and hopefully they'll be here to report that they --  
5 perhaps with this rate increase found a way to resolve their  
6 issues. But I can't speak to that at this point.

7                                 MEMBER BEEHAN: As a local elected official  
8 I'll probably be asking for information.

9                                 CHAIR PORTER: Questions of the Johnson  
10 County folks?

11                                MEMBER BEEHAN: I've got a question. And if  
12 they could help me understand. In the rate increase I noticed  
13 that there's a rate increase on the residential use, however  
14 there's no rate increase being proposed for the business side  
15 of the ledger. And I would like -- if they could explain and  
16 help us understand why you would ask for an increase on the  
17 residential but not on the business side.

18                                MR. STEWART: I think I can speak for our  
19 board. You know, we thought that would be the best way to go  
20 at this time. We were looking at in the future if we still  
21 have some problems with funding, then we could always come back  
22 and go with the rate increase on the business. We just felt at  
23 this time that was the best way to go.

24                                Now, you know, we would be happy for advise.  
25 You know, we really -- maybe we should have contacted the

1 911 -- the state 911 board for more advise on this. But that's  
2 the way we felt.

3 CHAIR PORTER: Do you all have anything you  
4 would like to add to that?

5 MR. GRAYBEAL: My name is Bob Graybeal, I'm  
6 on the board also. One of the major reasons that we had not --  
7 decided not to go the business is on account of the community  
8 we're in, we're very rural, our industrial -- our manufacturing  
9 is very small there. We're losing some small business. And we  
10 didn't want to put an additional hardship on those. I know a  
11 little bit would not mean a whole lot, but if you work in a  
12 small business and you've got a few phone lines, every cent  
13 means something in the bottom line when you're in business.

14 And we were looking out for the small  
15 businessman and for the manufacturers that we got. Because we  
16 have a hard time attracting anything. If you've been to  
17 Johnson County we're very rural. It's takes a two-lane road to  
18 get there. You know, we're 30 miles away from the nearest  
19 four-lane. So we were trying to do what was best for -- maybe  
20 for all of the citizens. You know, we figured individuals  
21 would have a little easier time than trying to -- than to have  
22 somebody in the business trying to make ends meet. Sometimes  
23 when you're trying to make a payroll, then a few dollars could  
24 mean a whole lot on that bottom line.

25 MEMBER BEEHAN: I understand that, but

1 you're -- I still -- if you go from -- it looks like you're  
2 going from 65 cents for residential to \$1.30 and no increase on  
3 business. That's a pretty big burden on some folks who also  
4 are probably on a fixed income. And I have some issues that  
5 are similar to this, and I wonder if that's taken into  
6 consideration.

7 MR. STEWART: Yes, we discussed that.

8 MEMBER BEEHAN: I understand the business  
9 side. But I also -- I found that kind of interesting.

10 MR. GRAYBEAL: Well, I'm with you on that.  
11 I was in disagreement with it. But our members of the board,  
12 we come unanimously and that's what was passed.

13 MR. STEWART: There was a discussion on the  
14 board about that.

15 MEMBER BEEHAN: And I've got another  
16 question. There was something in the five -- here it is. Page  
17 5 of our report, "Management Comments - We will work on the  
18 conflict of interest, approve a complete accounting policy."  
19 Can you-all address the issue of conflict of interest or is  
20 this something that -- help me understand what this comment is.

21 CHAIR PORTER: Do you all have the same --  
22 page 5.

23 MEMBER BEEHAN: If you could help us  
24 understand that comment.

25 CHAIR PORTER: That was the audit finding on

1 the general ledger about making double entries and then Johnson  
2 County lacks written policies concerning certain key management  
3 issues. And in your management comments --

4 MR. HAYNES: We tried to find that and that  
5 was actually -- that was all that was mentioned in the audit.  
6 So that's all they have to go on.

7 MR. GRAYBEAL: On the conflict of interest,  
8 our previous director, he actually owned -- actually a soda  
9 machine and a cracker machine, and they were dispensing those  
10 in the 911 building. And when that was brought to our  
11 attention that was dropped, that was changed, that problem was  
12 fixed.

13 MEMBER MOODY: I think the record needs to  
14 note that was in the audit finding 2001.

15 MEMBER BILBREY: That was also in 1999. It  
16 took you three years to figure that out?

17 MR. GRAYBEAL: Well, that was on the  
18 previous board. Most of the board now has only been in place  
19 for two years. Most of the other ones, their terms have run  
20 out, with the exception of maybe one or two. This was changed  
21 under the new board.

22 MEMBER BILBREY: How about the -- Don, I  
23 think you said you don't have the current 2003 audit yet? Or  
24 did you say?

25 MR. JOHNSON: Not in my possession, no.

1                   MEMBER BILBREY: You don't have it. Has  
2 that been done?

3                   MR. JOHNSON: I believe it has been done.  
4 He told me this week that it has been done.

5                   MEMBER BILBREY: Okay. Are these things --  
6 are they're going to be these findings on that report?

7                   MR. CAMPBELL: The conflict of interest?

8                   MEMBER BILBREY: All of these right here,  
9 these repeat findings.

10                  MR. CAMPBELL: There are some items that we  
11 did go over budget on. And that is the only one that I'm aware  
12 of that will be the same finding, besides the double-entry  
13 accounting system.

14                  MEMBER BILBREY: Well, it says from 1999, I  
15 guess 2000, 2001, 2002, it says we will implement a  
16 double-entry accounting system. So has that been done?

17                  MR. CAMPBELL: Yes, we have went to the new  
18 accounting system.

19                  MR. GRAYBEAL: Just a little over a year  
20 ago, when we got -- when the new board found out about it we  
21 advised the past director to go ahead and get a new accounting  
22 system. That has been implemented and it's being used at this  
23 time.

24                  MEMBER BILBREY: I guess what we need to do  
25 is look at the 2003 audit report. We need to start seriously

1 looking at these repeat findings when we find them.

2 MR. HAYNES: Don, is that audit available  
3 right now?

4 MR. CAMPBELL: I had thought my auditor had  
5 faxed Don a copy. Apparently he hasn't. The copy was emailed  
6 to us. Somehow it got lost in the mail and was returned to the  
7 auditor. Which he then had to remail. But I could get the  
8 audit mailed out tomorrow.

9 CHAIR PORTER: Looking at those, if you put  
10 the County stuff and everything is taken care of except for  
11 your little, small budget things, you think there's still  
12 left -- all that rest of this other stuff has been taken care  
13 of? That's what I understand?

14 MR. GRAYBEAL: I believe so.

15 CHAIR PORTER: On the -- we got a letter  
16 from the county mayor now -- it's hard for me to get use to not  
17 calling him the county executive -- that they're going to  
18 commit to the same amount on there, 84,000. I know Tom will  
19 address this, and we all have that same question, I guess,  
20 what's Mountain City going to do? Do we need to hear from the  
21 mayor and those folks about what they're going to do and what  
22 their funding level is going to be?

23 MR. CAMPBELL: It would probably be good to  
24 hear from them. But they have offered \$23,000 for this year.

25 MEMBER BEEHAN: I would like to hear not

1 only for the money piece but the fact of how the cooperation is  
2 going and were you able to sit down and work some things out  
3 or --

4 MR. CAMPBELL: I have talked with the mayor  
5 on a few occasions, and basically, we're just waiting for the  
6 board's recommendation on how the funding needs to be divided  
7 based on the call ratio with the City and County.

8 MEMBER BEEHAN: I'd like to hear from the  
9 mayor.

10 CHAIR PORTER: Mayor, you want to come up --  
11 whoever wants to speak on behalf of Mountain City.

12 MAYOR BURNISTON: I'm the mayor of the town  
13 of Mountain City. I'm Harvey Burniston. With me is Paul  
14 Grobble, alderman. He's also kind of our accountant. And he  
15 will go through some of the paperwork with you.

16 MR. GOBBLE: First of all, I'd like to  
17 extend my thanks for the letter you sent me asking me to  
18 participate in this meeting. I do have some handouts I'd like  
19 to hand out to all of you. The important pages are the first  
20 two and the last, in between are some documents from which I  
21 arrived at the figures on the first two and last page. So if I  
22 could --

23 (Documents were tendered to the board.)

24 MEMBER PURKEY: Mr. Chairman, can I use this  
25 time to ask a question of the board chair?

1 CHAIR PORTER: Certainly.

2 MEMBER PURKEY: Let me ask you, I know we  
3 got the letter from your county mayor indicating that they  
4 planned on funding your 84,000 rate. But I've not had an  
5 opportunity to talk to -- is the City in favor of the rate  
6 increase? Would it be your position that the county mayor is  
7 in favor of the rate increase?

8 MR. STEWART: Yes, it would be my opinion.

9 MEMBER PURKEY: Thank you.

10 MR. GOBBLE: As you can see, this report is  
11 pretty well non-accountant. Mountain City's population is only  
12 2500 people. The county population is 17,500. Which gives us  
13 about fourteen-three percent county population.

14 The County -- the City portion of the county  
15 taxes is 18.45 percent out of the taxes that are collected by  
16 the county. Those in the city, on their property taxes are  
17 paying 18 and a half, basically, percent of all of the taxes  
18 collected in the county. We have a city tax, of course, but  
19 that's not the county.

20 Now, the amount funded by the County was  
21 \$84,000 for this current year 2003-2004. You take out the city  
22 population, which is 14.5 percent, which takes out from 84,000;  
23 take out \$15,498; leaves the county portion, net portion of  
24 \$68,502. That's for 15,000 people.

25 The City, you take the city funding, which

1 we did, and the documentation is in here where we funded it for  
2 \$60,000, plus we added our county tax portion, which is 15,500.  
3 Were up now to \$75,500. Which is more than the County is  
4 participating in. So we have an annual cost per citizen in the  
5 city of \$30.20 a year, cost. And an annual cost per citizen in  
6 the county of \$4.57.

7                               So we think that there's something wrong  
8 that this happens to be that way. And additionally, \$60,000,  
9 which is what we contributed to 911, really amounts to 19  
10 percent of the property taxes that the City collects. And the  
11 only revenue -- the only way the City has to get revenue is  
12 with the property tax, which we sure can't go doubling the  
13 property tax to meet 911 funding.

14                               Page 2, a real interesting thing. This  
15 shows the number of calls in January, February, March, and  
16 April that the 911 board had to receive, the 911 calls.  
17 Mountain City amounted to in January, 27 percent; 28 in  
18 February; 25 in March; and 26 in April; with the total calls of  
19 a 24-hour day anywhere from 15 to 20 calls a day in a 24-hour  
20 period. It seems awful low to me, but then maybe that doesn't  
21 count other things. Because if you look at that, that's going  
22 to cost 911 anywhere from 41 the \$55 for every call they  
23 receive. This number, this accounting did come from 911, it's  
24 not anything I made up.

25                               So anyway, for 2003-2004 budget a daily cost

1 of \$833.69. We're looking, you know, if you get 20 calls in a  
2 24-hour period that's pretty high. But whatever. Although it  
3 does drop down some in 2004.

4                   The last page, which I think is the most  
5 important thing we have. In between you got all the pages that  
6 shows their budget, the property taxes that the City Recorder  
7 reported that we're paying, and the county taxes, the money  
8 that 911 had in the bank as of March 31st, the rate increase  
9 figures, all the documents basically support what I'm trying to  
10 say here today, this morning.

11                   But the last figure is -- if we look at the  
12 last page where the budget for 2004-2005 for 911 is \$289,390,  
13 estimated income is \$190,706 with a remaining balance of  
14 98,683. Total population, 14.3 percent of that would amount to  
15 \$14,100, roughly. If we go by the count, the call count,  
16 because I think this -- your commission has requested that we  
17 do, is 26 percent. It would be 25,657.81, our contributions to  
18 911.

19                   We instructed our attorney to provide a --  
20 you know, prepare an inter-local agreement. At the time I said  
21 23,000. That was based on some figures that 911 kicked out at  
22 one of their meetings. So I'm not -- but on their March 25th  
23 meeting they talked about going to the County for 67, the City  
24 for 33 -- 112 -- you know, and I appreciate what they were  
25 doing at the time, trying to come up with figures. But when

1 the come down to the figures of 47 for the County and 23 for  
2 the City, I enjoyed that figure. But it got crossed off and I  
3 think they went up to 25 and 50. I'm not sure what you-all did  
4 on that. I'm not really privy to their means, I'm just privy  
5 to the facts as I dig them up.

6 CHAIR PORTER: You can go to the 911 board  
7 meetings; right?

8 MR. GOBBLE: The mayor is a member, so  
9 he's --

10 CHAIR PORTER: It's a public meeting. I  
11 didn't want these people to think you couldn't attend.

12 MR. GOBBLE: The thing is, I have trouble  
13 getting some figures because they said they haven't been  
14 approved by the board. If they don't approve them for two or  
15 three months and I don't get the figures -- so what we're  
16 doing -- proposing is, you know, we can either go by population  
17 count or call count. We don't -- you know, either one, and  
18 want an inter-local agreement to that effect.

19 CHAIR PORTER: Let me ask you about the --  
20 in the call count, all I see is 911 calls, what about all the  
21 non-emergency, do you-all still answer the non-emergency calls  
22 for them or did you all stop?

23 MR. CAMPBELL: No, they elected to take out  
24 their --

25 MR. GRAYBEAL: Now, we do answer the Water

1 Department calls.

2 MR. GOBBLE: Well, right there it said

3 Mountain City calls --

4 MR. CAMPBELL: No, I don't think the water  
5 is on there.

6 MR. GOBBLE: That's all I can go by is what  
7 you give me.

8 CHAIR PORTER: Folks, we're going to stay  
9 sociable. Okay? One talk at a time. Okay? And we'll get  
10 through this.

11 MR. CAMPBELL: I neglected to add the water  
12 calls in. This is just police department and fire department  
13 as for the Johnson County Sheriff's Department, the police  
14 department and a volunteer fire department, which Johnson  
15 County has been averaging a little over 100 or more calls per  
16 month than the City. For April, the City had a 155 complaint  
17 cards versus the County, 260 for the Sheriff's Department, and  
18 26 for the fire department. I don't have a dispatch package to  
19 keep track of all the calls that come in. And then the water.

20 CHAIR PORTER: But the calls on this second  
21 sheet that he gave us, the 155 and 260, those numbers you just  
22 gave me are his same numbers, do you agree with those call  
23 numbers?

24 MR. CAMPBELL: Yes, 155 for the City and 260  
25 for the Sheriff's Department.

1 CHAIR PORTER: Anything else, Mountain City,  
2 you want to add?

3 MR. GOBBLE: No, we're sort of waiting to  
4 see if they -- you know, how to come up with the inter-local  
5 based on the percentage of which one we ever use and agree to.  
6 And I think the one agreed to is based upon the rate increase,  
7 if you grant it today and you do that.

8 CHAIR PORTER: Is there questions to the  
9 Mountain City folks?

10 MEMBER BEEHAN: Two questions. Have you  
11 actually sat down across the table from each other and kind of  
12 worked this out, or has this kind of been --

13 MR. GOBBLE: You wouldn't believe the  
14 intensive effort that has gone into this thing. But  
15 unfortunately, one side says we want 84,000 and the other side  
16 says we're not going to give it to you. We wound up giving  
17 them 60,000 for this year.

18 MEMBER BEEHAN: And you're proposing 25,000  
19 for next year?

20 MR. GOBBLE: Right. That would be based on  
21 the percentage of calls received.

22 MEMBER BEEHAN: I've got one more question.  
23 Do you support the rate increase as proposed by the County?

24 MR. GOBBLE: We're a small county, we've got  
25 to do something. I would support -- I would support at least

1 going another 50 cents on the business side. I suspect it's  
2 unfair to dump it all on the residence side.

3 MEMBER BEEHAN: I totally agree with you on  
4 that. As a local elected official I understand.

5 MAYOR BURNISTON: I'm on the board with the  
6 rest of these fellows, and the reason we didn't do it, we've  
7 got so many stores that have closed. You know, a small town,  
8 and you know, businesses have left us. Industry has left us.

9 MEMBER BEEHAN: What about people on a fixed  
10 income, that would be my question.

11 MEMBER PURKEY: Mr. Chairman, let me clarify  
12 for my own thinking, the \$25,000 is incorporated into the  
13 request of a rate increase. In other words, our numbers  
14 reflect the 25,000 for from the City of Mountain City; is that  
15 correct?

16 MR. GOBBLE: I would assume it is. But I  
17 don't work their budget, I just work it after I get it from  
18 them. In my figures I projected it in.

19 MEMBER PURKEY: What about you,  
20 Mr. Campbell?

21 MR. CAMPBELL: The 25,000 that they offered  
22 us, they're also counting on us getting the \$30,000 grant a  
23 year and putting it towards salaries. Now, if we don't get  
24 this grant towards salaries, that number would need to be  
25 higher.

1                   MEMBER PURKEY: Is that the Rural Dispatcher  
2 Grant?

3                   CHAIR PORTER: You said the 25,000 from  
4 Mountain City, is that what you said, and then the 30,000 Rural  
5 Dispatcher Grant?

6                   MR. CAMPBELL: That figure of the 25,000 is  
7 with us receiving the 30,000 Rural Dispatcher Grant. If we  
8 didn't receive that, that number would need to change.

9                   CHAIR PORTER: It would be higher?

10                  MR. GOBBLE: I did not figure the 30,000  
11 because I was told to exclude it from their budget.

12                  MR. CAMPBELL: The 25,000 had been talked  
13 about with the -- with the grant, and then I asked to exclude  
14 it, and they're still saying the 25,000 with or without.

15                  MR. HAYNES: That doesn't sound like the  
16 right thing to do because the grant is one-time. Although it's  
17 authorized for five years, one-time money, unlike the Entitled  
18 Guarantee. So from a budget standpoint, I guess they're  
19 probably doing -- they're wise to be careful on a case  
20 scenario.

21                  CHAIR PORTER: Rex, do you have something  
22 you want to add?

23                  MR. HOLLAWAY: Well, Randy, let me just  
24 offer something here. Yeah, I've done a lot consolation  
25 studies with counties and a lot of studies to look at dispatch

1 services. The thing that I would ask all of you and both  
2 parties here to look at is, what is the total cost of running  
3 the dispatch center? Does anybody know that number?

4 MR. ALDERMAN: \$300,000.

5 MR. HOLLAWAY: How much?

6 MR. GOBBLE: \$306,000, I think it's budgeted  
7 down to \$289,000.

8 MR. HOLLAWAY: To me, that's the number you  
9 should be looking at as far as the percentage, not really  
10 84,000. Because I think the County is under-contributing also.

11 MR. GOBBLE: I'm not concerned with what the  
12 County's contributing. What I'm concerned with is the  
13 difference that's required over and above the phone company  
14 money, the monies that they received from -- all the people  
15 that contribute money to 911 for services rendered, that  
16 amounts to \$98,000, the difference between what they receive  
17 and what they need to balance their budget. And that's the  
18 figure I work with.

19 Does that make sense to you?

20 CHAIR PORTER: Let's be calm here.

21 MR. HOLLAWAY: Yeah, I'm just trying to make  
22 sure that everybody understands that there's a cost here for  
23 running a center and you have to forget what somebody else is  
24 contributing, you know, you really have to look at the total  
25 cost of the center. But then you also have to look at what it

1 would cost to run your own. And nobody can run a dispatch  
2 center for \$25,000. It just can't be. It's impossible. It's  
3 humanly impossible to do.

4 MEMBER MOODY: Let's go back to the question  
5 that Rex was posing here. Maybe he said it and I didn't quite  
6 comprehend. But do we know what it's costing only to do the  
7 dispatch? And getting out the call process and getting out the  
8 administration, put those aside. Do we have a figure for just  
9 dispatch?

10 MR. HOLLAWAY: Cause -- and I'm asking, you  
11 know, the cost of the full-time call-takers and eight part-time  
12 call-takers, the cost of the telephone lines, the cost of  
13 your -- I know you rent the building for a dollar, the cost  
14 of -- the equipment maintenance, the equipment leases; all  
15 those costs over a year's time, what are those costs?

16 MR. GOBBLE: Well, that's the fourth page of  
17 my report. And you didn't get a copy.

18 MR. HOLLAWAY: What I was just trying to get  
19 it on the table anyway, so everybody -- because it's -- we  
20 don't want to get hung up on that \$84,000 note, I don't think.  
21 It's really the cost of the -- the operation that you really  
22 want to look at.

23 MR. GOBBLE: There's the cost of the  
24 operating as submitted by the 911 board.

25 MR. HOLLAWAY: All right.200 -- 304,000 for

1 this year and 289,000 for the next year.

2 MR. GOBBLE: Yes.

3 MR. HOLLAWAY: Now, does that include a  
4 reduction for -- I mean, that's the total cost. And then to  
5 award that you're going to apply the 911 revenue and any other  
6 revenue from other sources?

7 In other words, for 289,000, that doesn't  
8 have any number taken out of it, any recovery numbers?

9 MR. CAMPBELL: No.

10 MR. HOLLAWAY: So \$300,000, roughly, is what  
11 they're looking at, for operation of the center. And actually  
12 that's what I was trying to get on the table, really.

13 MR. STEWART: Mr. Chairman, if I could? You  
14 know, we've heard from the City and we've also heard from the  
15 911 board in this matter. We really haven't heard from the  
16 County. And -- well, Mr. Graybeal, who is a member of our  
17 board, it also the chairman of the county commission. And I  
18 would like for him to, you know, kind of get the County's  
19 opinion. I think they should be heard also in this.

20 CHAIR PORTER: I agree.

21 MR. GRAYBEAL: My name is Bob Graybeal. I  
22 am the chairman of the Johnson County Commission. I'm one of  
23 the local elected officials.

24 MEMBER BEEHAN: Good.

25 MR. GRAYBEAL: And as part of the whole

1 thing, we represent the County and the City, you know,  
2 Mr. Gobble, you know, wants to go on either population or call  
3 basis. Well, that's fine, on the shortfall of what 911 lacks  
4 on that percentage we're paying our dispatchers. But he wants  
5 to take everything that has come in on the phone bills and  
6 stuff -- well, there are more phones in the county on basis of  
7 population. So actually the county population of county  
8 employees or county residents outside are paying a bigger  
9 portion of the fees that are coming in.

10                   You know, I feel, you know, personally like,  
11 you know, that has to be taken into play. And like this  
12 gentleman said, look at that whole budget, the total \$300,000  
13 budget. And if you want to go call basis on that, it would be  
14 more fair and equitable to all concerned.

15                   You know, we've -- I know they're a part of  
16 us again, and we did offer the 911 board a place to do the  
17 dispatching in the new jail. And that's been part of the  
18 contention here. But the problem actually arose because we did  
19 not have money over the past years to set aside. The previous  
20 board had spent the money that we needed to buy new equipment.

21                   When a new jail come on board, yes, there  
22 was some talk by the 911 board to go to the jail. Mr. Stewart  
23 and Mr. Campbell went to the City and they came to the County.  
24 The City did not want, really, to go up there. It kind of got  
25 messy. So we actually, as a board, dropped -- we dropped the

1 matter.

2                   But it came to the point Mr. Campbell came  
3 to the board meeting and said we've got equipment problems. He  
4 told me, basically, it was \$48,000 to come up with equipment,  
5 but we later found out it was going to be the 80,000 range.  
6 The 911 board did not have any money. We had approximately  
7 \$5,000. And the way we were going, there was no way we could  
8 even borrow or lease it to pay for it.

9                   So I went to the budget committee, as being  
10 the chairman and being on the board, and I asked them, is there  
11 any way that Johnson County can help with our equipment. With  
12 budget crunches all over -- all over the state last year,  
13 Johnson County did not have the \$85,000. But fortunately, we  
14 were in the process of building a new jail. And there was some  
15 funds in there that we had not spent.

16                   And we talked to the bonding people, besides  
17 our attorney, and they said the County could buy it but they  
18 would have to lease it. We could not give it to 911. And one  
19 of the things, for it to be on county property.

20                   So the County, in turn, offered 911 the use  
21 of the equipment, office space for a dollar a year. And they  
22 moved into the jail. And, in turn, it also helped, we as a 911  
23 board, we don't have to pay the light bill any more, we don't  
24 have to pay a heat bill any more. So we get an advantage from  
25 that. And that's the point of the County.

1                   We are trying to work it out. But we're  
2 going on budget. We need to look at the total overall budget.  
3 If you want to go on call ratio or population, they need to pay  
4 a percentage of what our whole budget is. And, you know, we  
5 haven't approved our budget of yet this year. And I for one  
6 want to look that we have some money, that we can buy that  
7 equipment eight or nine years down the road instead of being in  
8 back in the same situation.

9                   MEMBER BEEHAN: I've got a question. I want  
10 to clarify to the local elected official, and one of the things  
11 we see in the city, is that we pay county taxes. Do they pay  
12 the same -- in the city, do they pay the same rate?

13                   MR. GRAYBEAL: They pay the same rate. And  
14 the part that the County put in to the 911 budget last year was  
15 .05/11 cent per \$100 value. Mr. Gobble was right. And it  
16 should be taken into consideration.

17                   Also in the consideration is where's the  
18 point that we have to get the extra dispatchers of 911? Could  
19 four do everything the County needs? And can we get by those  
20 other times -- you know, do we have to pay for six because of  
21 the County, because their call ratio is smaller? I don't know.  
22 That's something we need help with. There's a point that we  
23 need those extra ones. But what point is that. Who bears the  
24 most -- the cost of that, the City because they want more  
25 services than what the County gets or the County residents

1 because the city is part of the county?

2 CHAIR PORTER: Other questions of Bob?

3 Thank you, Bob, we appreciate it.

4 Okay, any questions for Mountain City?

5 MEMBER BEEHAN: One final question, you do  
6 support this? You do support this rate increase; is that  
7 correct?

8 MR. GOBBLE: Yes.

9 MEMBER BILBREY: One more question then,  
10 what really do you think you should be paying for?

11 MR. GOBBLE: What we should be paying for is  
12 for the water, dog catcher, period. 911 should be providing  
13 for the police and the fire department.

14 MEMBER BILBREY: You don't think you should  
15 be paying for anything?

16 MR. GOBBLE: No, because we're paying on our  
17 phone bills. We're talking about 2500 population, residents  
18 with 200 homes, approximately. And if you take the 200 homes  
19 and you divide it out on what we're paying, it's awful  
20 expensive. Even now it's \$30 a residence a year. You think  
21 about that, for 911, plus your phone bill addition. Are you  
22 paying that kind of money? Shoot, no.

23 And I think it's unfair for us to request as  
24 the responsible party to the Town of Mountain City or the  
25 trustees of their money. I think it's unfair for us to -- the

1 citizens to pay that kind of money.

2 MEMBER BILBREY: Who do you think should pay  
3 for it?

4 MR. GOBBLE: I don't think the City should  
5 pay -- their residents pay \$30 a year and the county resident  
6 pay \$4 a year. That's what I don't think is fair.

7 MEMBER LOWERY: What would it cost to set up  
8 a dispatch and run it?

9 MR. GOBBLE: We could run it on what the  
10 money we probably we would receive from the telephone bill.

11 MEMBER LOWERY: You couldn't do that.

12 MR. GOBBLE: Or get close to it. Because  
13 right now we have dispatchers -- we have 24-hour a day  
14 employees who could run our own dispatching system as far as  
15 that goes. In fact, we've proposed that.

16 MEMBER LOWERY: Not for that figure.

17 MR. GOBBLE: Well, we don't know what that  
18 figure is except the telephone company. The telephone company  
19 will be costing them -- right now if you're putting in about  
20 \$8,000. If they get the increase, you're talking about \$14,000  
21 a month. Pretty well -- we could handle it pretty well, you  
22 know, if we take the City's portion which is approximately 60  
23 percent of the revenue, the phone bill. 60 percent of 14,000  
24 is going to get you about \$8,000 a month, and you can sure as  
25 heck run one.

1                   But we don't want to do that.

2                   MEMBER BEEHAN: I guess that we're probably  
3 going to spend a lot of time that's outside our purvey. It's a  
4 classic, and we would hope and I would encourage you folks to  
5 sit down and figure out a way to do this. What's before us, i  
6 guess, is the rate increase. And I do know that we have -- I  
7 think we have your current audit. I'd like to see us just go  
8 ahead and move to the rate increase and encourage you folks to  
9 continue to work together. I understand the City's dilemma.  
10 It's a classic problem. We could go on the whole afternoon on  
11 it.

12                  CHAIR PORTER: We could. But we also have  
13 this dispute, though, that we heard between the City and County  
14 that we'll need to address with this whole issues. So we will  
15 have -- when they requested -- Mountain City requested that we  
16 review this whole thing. We kind of put it down for this rate  
17 increase request, so our decision we make here today will be an  
18 overall, looking at the whole picture.

19                  Any more questions from Mountain City?

20                  Let's get back to the board now and  
21 questions of the board on the rate increase.

22                  MEMBER BEEHAN: Mr. Chairman, we do have the  
23 audit.

24                  CHAIR PORTER: Only one copy?

25                  MEMBER BILBREY: Tell us what's on it.

1                   MR. JOHNSON: As far the findings, we had  
2 two findings. And that was the over expenditure of the budget  
3 and also there was another finding which talks about their  
4 payroll. The auditor states here that, essentially, all the  
5 information needed to audit payroll was unavailable to the  
6 auditor. This includes employment applications, authorizations  
7 for current rate and pay, and authorization for payroll  
8 deductions.

9                   CHAIR PORTER: You want to address that,  
10 Eugene?

11                   MR. CAMPBELL: Yes. As far as the -- I  
12 don't know about the over budget, but the application and  
13 stuff, I thought the auditor had already been supplied that  
14 information that was needed. And I didn't know until after the  
15 audit was complete that he needed some more information. I had  
16 asked him if all the information was given to him and he said  
17 it was. And it's just my fault that some of it was left out.

18                   CHAIR PORTER: So you thought you gave him  
19 that --

20                   MR. CAMPBELL: Thought all the information  
21 was there, and I had left some out unintentionally.

22                   CHAIR PORTER: He told you he had all the  
23 information that he needed?

24                   MR. CAMPBELL: Yes. On different occasions  
25 he requested some information and I had sent the information

1 that he requested at that time. And I just assumed he had  
2 everything he needed.

3 CHAIR PORTER: Is there conflicts between  
4 the board and your auditor? I mean, is that a good  
5 relationship?

6 MR. CAMPBELL: I would say a good  
7 relationship.

8 MEMBER BILBREY: I guess we can make the  
9 assumption, then, that all the other findings were taken care  
10 of?

11 MR. JOHNSON: Yes. Exactly.

12 CHAIR PORTER: Okay, folks, other questions  
13 of these folks?

14 MEMBER LOWERY: It might be kind of trivial,  
15 but as the 911 director and 911 board, I notice the 911 is  
16 owned by the sheriff or the County or whoever. Is that an  
17 ironclad contract that takes care of that? If the Sheriff  
18 decides, due to politics, that you all have to leave, he keeps  
19 the equipment.

20 MR. CAMPBELL: There's a 30-year lease --  
21 there's a 15-year lease for \$1 a year we can have use of the  
22 equipment.

23 MEMBER LOWERY: What authority do you have  
24 over that equipment? Eugene should be totally responsible.

25 MR. STEWART: The County does not have any

1 input into any of that. All the maintenance, everything, would  
2 be kept up with the director of 911. We tried to make it as --  
3 because there was some questions when we moved to the jail,  
4 there was some people in a small community who said, the  
5 Sheriff is going to run 911. We had to make it perfectly clear  
6 and set it up to the attorney that it was run by the 911 board  
7 and their director, Mr. Campbell.

8                               MEMBER LOWERY: My main concern is the  
9 equipment Eugene has --

10                              MR. STEWART: On everything.

11                              CHAIR PORTER: Other questions? If not,  
12 we're going to go into our deliberations.

13                              Okay, thanks, guys, we appreciate it.

14                              We'll now go under our deliberations. And  
15 as I said before, I think we've got more than just one matter  
16 here. For Tom's benefit, the request of Mountain City about  
17 this problem, we had actually sent folks back from a previous  
18 board meeting for them to work this out amongst themselves.  
19 And it doesn't sound like to me that that's happened and I  
20 think there's still some lack of cooperation. I'm not sure  
21 where the problem exactly lies but we have -- I think we have  
22 to discuss those factors and look at the rate request increase  
23 also. I think, Lynn, we would -- we draw an order that will be  
24 sent to these folks as far as our decision on the request from  
25 how the commissioners should be and so forth. So we'll go into

1 our deliberations and discuss and ask questions.

2                   If nobody's going to jump, I'll just start.  
3 I think Rex hit on a -- on a real good thing here, and what to  
4 do is that, you know, we have to look at what the big picture  
5 is here, you can based it on population, you can based it on  
6 call volume, you can base it on whatever you want to as long as  
7 you base it on what the entire cost is for -- to operate that  
8 911 center. I think we're getting -- getting into a little  
9 thing of the 911 and dispatch, those -- those are two separate  
10 items here and as much as -- I know I said a year ago, you're  
11 going to see that continue to get closer and closer together as  
12 those will probably become one in the future somewhere down the  
13 line. But regardless of 911, these cities and counties have to  
14 operate dispatch centers. They operated them before 911 came  
15 into existence.

16                   And to think that 911, that the bill in the  
17 telephone is going to pay for all those costs, it's not going  
18 to happen. And I don't know what if we could -- we would have  
19 to have the 911 fee considerably higher than what the law  
20 allows us to raise it to to be able to fund all the dispatching  
21 911s in Tennessee.

22                   I think we have to look at this as the total  
23 picture. I do think that 25,000 or 22 or whatever the figure  
24 you come up with is, if Mountain City is -- I don't think they  
25 can operate a dispatch center for anywhere, you know, close to

1 that. I think they're getting a real deal. But I think we  
2 have to look more towards the total cost of this almost  
3 \$300,000 budget and it being a fair share to -- to all the  
4 folks.

5 I'll just start from that. Comments or  
6 discussion?

7 MEMBER BEEHAN: David, maybe you can help  
8 me, help me understand, the city -- the city residents are also  
9 paying county taxes. And are the taxes, the county taxes being  
10 used also to fund the 911 center?

11 CHAIR PORTER: I think \$4,000 is the  
12 County's share.

13 MEMBER MOODY: That is the commitment we  
14 have in writing?

15 CHAIR PORTER: We have a letter from the  
16 County Mayor saying they are committed to \$84,043 as their  
17 share. They also allow the 911 center to be housed in the jail  
18 at no cost and the County pays the utilities. So when you  
19 start looking at that, their -- their contribution is  
20 considerably higher than the funds they provide.

21 MEMBER BEEHAN: But it's still the same city  
22 residents. Again, it's a classic, as I said before, and I  
23 don't know how you can address that or how you addressed that  
24 in the past.

25 CHAIR PORTER: We haven't actually had the

1 City/County thing actually come up until now. It's an age old  
2 problem, though, that -- not only in Tennessee but all across  
3 the country. I don't know what the answer is. Nobody has been  
4 able to answer it so far, so I don't know that we're going to  
5 be able to do that here today.

6 MEMBER PURKEY: Tom hits on a classic  
7 philosophical discussion between the City and the County about  
8 those residents who live inside the city limits and also pay  
9 the County. And I've always tried to differentiate that in  
10 this way, city residents pay city taxes for services -- for  
11 better services, for services above and beyond what they would  
12 get if they did not reside in the city limits.

13 And I don't know how many police officers  
14 Mountain City has on duty at a time, but I see from the audits  
15 too, I would assume that they have a quicker response time for  
16 calls. And that's what the city residents are paying for,  
17 their city taxes, you know, get a quicker response time.

18 I've never been able to come out of an  
19 argument between the City and the County over the residence  
20 issues and all the questions, we can't solve that today, but I  
21 do think that city residents pay city taxes to have a higher  
22 level of services. And I think the City of Mountain City  
23 cannot advocate its responsibility to provide dispatch for its  
24 police department -- and I'll assume they don't have a  
25 full-time fire department in a city that small, but I think

1 they have to provide it any way. And I think that the board  
2 makes a good point, you have to look at the big picture and not  
3 just on a per call ratio or a per call cost.

4 I think the good thing about today is they  
5 seem to be in agreement and support of the rate increase.

6 MEMBER BEEHAN: Well, the other good thing  
7 is, they have said they would spend \$25,000. That seems --  
8 there's two agreements there.

9 CHAIR PORTER: Further discussion? Rex, do  
10 you want to --

11 MR. HOLLAWAY: Could I just offer a possible  
12 compromise for the two entities here. And Don might check my  
13 math here. But the total budget that it's going to take to  
14 operate their system is \$289,000 a year; is that correct?

15 MR. JOHNSON: How much?

16 MR. HOLLAWAY: 289,000, is what they're  
17 showing for 2005?

18 MR. JOHNSON: Yes.

19 MR. HOLLAWAY: Okay. The revenue from the  
20 911 surcharges is going to be 160,000 from Skyline and Sprint;  
21 is that correct?

22 That leaves \$129,000 that would come from  
23 somewhere. And the cost -- it looks like the City was having  
24 or providing or causing about 25 percent of the call volume  
25 into the center. So if you use 25 percent, that means that the

1 City's share of that 129,000 would be 33,000. The county's  
2 share would be 96,000.

3                   To me, we're talking about, really a few  
4 dollars in either -- I mean, the County and the City both, I  
5 think, could pay a little bit more and solve this whole  
6 dilemma, really. 33,000 for the City and 96,000 for the  
7 County. Just something to --

8                   MEMBER BEEHAN: If I understood Dave  
9 correctly, it sounds like Mountain City, they are receiving  
10 additional dispatch; is that right, the police dispatch -- so  
11 they are getting use of additional services in some way.  
12 Should that be --

13                   CHAIR PORTER: I think everybody gets  
14 dispatch. They're dispatching for the Sheriff, the police, and  
15 fire for both the County and City.

16                   MS. QUESTELL: From a legal perspective I'd  
17 like to just interject something right here as far as Rex's  
18 suggestion. And that is that we as a board, you-all have  
19 jurisdiction over Mountain City because they came here and  
20 passed a resolution asking for you-all's assistance in solving  
21 this problem.

22                   Right now you don't have jurisdiction over  
23 the County. So as far as you being able to order the County to  
24 pay more, you can't right now because they haven't come here  
25 and asked for your jurisdiction or to take jurisdiction over

1 them. So the only rate you could discuss would be the  
2 contribution of Mountain City.

3 CHAIR PORTER: Further discussion?

4 MEMBER BEEHAN: I'm sorry. But I also -- on  
5 the question of who carries the rate increase, businesses  
6 versus the residential, do we have any say in that?

7 CHAIR PORTER: This rate increase request,  
8 the district has asked us for this, but what the rate is  
9 actually set at, it's this board's decision.

10 MEMBER BEEHAN: Because I notice the next  
11 one shows an increase both on the residential and business.  
12 That would seem to me to be a the fair thing to do. I would  
13 assume the same situation for the residences and business,  
14 they're people on fixed income and things like that.

15 I don't know how best to propose it, but I  
16 would like see some sharing of the cost, reduce the residential  
17 and increase the business so that there would be some sort of  
18 fair share between both entities.

19 CHAIR PORTER: Do we have -- Don, do we have  
20 the numbers in here on the 911 business --

21 MR. HOLLAWAY: Randy, I have looked at it.  
22 If you raise the telephone for the business just like they're  
23 going to on the residents there would be no shortfall. I mean  
24 the 84, the 25,000 --

25 MR. JOHNSON: Yes.

1                   CHAIR PORTER: We can only go up to \$3 on  
2 the business, we can't go any higher than that. Right?

3                   MEMBER MOODY: Right.

4                   MR. HOLLAWAY: That's right.

5                   CHAIR PORTER: You're looking at for 1,549  
6 business lines, you're looking at going up on that rate, you're  
7 not looking at a lot of money. If you went to the max you're  
8 18,000 a year or something?

9                   MR. HOLLAWAY: Yeah.

10                  MR. HAYNES: Mr. Chairman, may I add  
11 something?

12                  CHAIR PORTER: Certainly.

13                  MR. HAYNES: There seems to be an argument  
14 being made on something else from Mountain City on the point of  
15 equity. And one of the things that the staff has been looking  
16 at before, during, and after this so-called TACIR report came  
17 into being, the legislature was, if you are looking at burden,  
18 what is the real burden of paying 911 on the business  
19 community. If you're a business person, particularly a small  
20 business person, chances are you have more than one telephone  
21 line, you have multiple lines, you probably have dedicated  
22 credit card or fax lines, you have a couple of phone lines, and  
23 then when you come home at night you probably got one or two  
24 business lines in your -- or one or two lines in your house  
25 too, so you pay that residential fee. And then no telling how

1 many cell phones you're paying for your employees.

2                               So I think when we look at a business rate,  
3 what is the impact on the business community to look at there,  
4 in terms of a city resident paying 30 cents versus more than a  
5 rural resident in the county, without getting any farther into  
6 that, I would just caution the board that until a city and  
7 county breaks out all utility services, all shared road costs,  
8 all shared service costs, all shared law enforcement costs, all  
9 shared court costs, when they start really -- if you're going  
10 to -- as we used to say in electricity deregulation, if you're  
11 going to unbundle the whole baby, you need to make sure you  
12 unbundle the whole picture, not just distribution, not just  
13 transmission, and not just generation. Unbundle everything.

14                              It's not good public policy just to say I'm  
15 going to take this utility service called 911 and unbundle it  
16 and look at how we're paying for it and not do that across the  
17 board. Because you can make -- that argument cuts both ways.  
18 I just think that you need to -- as has been advocated here  
19 before, look at the whole picture and not based on what someone  
20 pays. Because the last thing you want to do is draw a parallel  
21 argument so that when the cap -- when the person that lives in  
22 the city crosses into the county there's a toll booth there and  
23 they're paying quarters to come out and drive around in the  
24 county. And that may be a poor analogy, but that's -- to me  
25 that sure looks like what we're getting into. We are splitting

1 those kind of hairs and we're not consistently unbundling the  
2 service of all services shared between the County and City, for  
3 some reason or another we're just picking out 911.

4                   And so I would advocate that we look at the  
5 whole picture. And I would also advocate that we take more  
6 into consideration as far as other things. And that's just  
7 purely a staff observation.

8                   But I do think when a guy -- when a resident  
9 pays 911 they pay -- like I pay here in Nashville, I pay 65  
10 cents, my wife pays \$1 for her cell phone, I pay \$1 for my cell  
11 phone, and that's it for the end of the day. But Tom Beehan  
12 has got a State Farm agent here in Nashville, man, they're  
13 really paying some 911 fees. And you take -- if you got a  
14 business facility -- remember, the cap is 100 lines. Imagine  
15 if in your business you have 60, 70 business lines. Imagine  
16 you're in one of these counties where it's \$3 a line. And then  
17 you're paying \$1 a month on your cell phone and you've 20  
18 employees running around here with cell phones. All of a  
19 sudden that small business person is paying a heck of a lot 911  
20 fees.

21                   I'm just staff, I'm not a board member. But  
22 I do offer those for your consideration.

23                   MEMBER BILBREY: Can I ask the chairman a  
24 question?

25                   CHAIR PORTER: Mr Chairman, would you come

1 back up?

2 MEMBER BILBREY: I want to go back to 1999  
3 and 2000, 2001, do you remember some numbers from back then?

4 MR. STEWART: Sir, I wasn't on the board on  
5 that time.

6 MEMBER BILBREY: Who was? Anybody here on  
7 the board then?

8 MR. STEWART: Mr. Burniston was on the board  
9 at that time.

10 MEMBER BILBREY: Okay. Maybe he can tell  
11 me.

12 CHAIR PORTER: Mr. Burniston, would you come  
13 up, please?

14 MEMBER BILBREY: In 1999 we had the total  
15 operating expenses for this board at 225, \$226,000. We had the  
16 local government allocations paid at 140,000. Do you know who  
17 participated in that 140,000, how much --

18 MAYOR BURNISTON: Right off the top of my  
19 head, I think for the first five years it was probably roughly  
20 60,000 from the City and 40,000 from the County. That's  
21 because the Sheriff's Department didn't participate so we tried  
22 to support the whole thing. We tried to make a go. The money  
23 that we put into depreciation we had to take out every year to  
24 pay salaries.

25 MEMBER BILBREY: Okay. The same thing in

1 2000, 141,000; 2001 we had a 130,000; then suddenly in 2002 we  
2 drop down to 118,000.

3                   MAYOR BURNISTON: Gene will have to answer  
4 that.

5                   MEMBER BILBREY: There's a strange -- a  
6 strange pattern here. And now we're dropping down more and  
7 you're asking for an increase to take the place of somebody who  
8 is not providing the funding. We really don't do that, you  
9 know.

10                   If we provide an increase, then by rights,  
11 and if I'm not mistaken the law says so, you have to continue  
12 what your local funding is. Now, if you're going to drop this  
13 local funding, Mountain City or whomever, you know, then by  
14 rights I don't think we can give you an increase.

15                   CHAIR PORTER: Folks, we spent a little over  
16 an hour on this thing. And I guess we need to come to some  
17 sort of resolution.

18                   I think we have the two issues at hand that  
19 we need to address. One is, the City's share that they're  
20 paying on the 911, is it an equitable rate and also the rate  
21 increase request.

22                   I guess one thing we have to look at is,  
23 with the 25,000 or whatever they're putting in, with the rate  
24 increase request, they're covering all their expenses and  
25 actually we'll have a net income in the amount of about \$80,000

1 left over after that. And I guess we have to ask ourselves,  
2 are we comfortable with this -- with this here, and pass the  
3 rate increase request and move on with that order, or do we  
4 need -- do you want to look at it further? I'm trying to get  
5 the feel of where the board is at.

6 MEMBER MOODY: They do not have any fund  
7 balance at this time?

8 CHAIR PORTER: Small, but basically -- Don,  
9 is that \$46,866 in 2004 in cash? I'm on page 11 of your --

10 MR. JOHNSON: Yes.

11 CHAIR PORTER: They have 46,000. So with  
12 the rate increase, if we provide it, you're projecting coming  
13 up in 2006 they're going to go to \$151,911 in cash. So they're  
14 going to have enough money to operate plus have a healthy fund  
15 balance coming up.

16 I'm wondering if -- and I'm throwing this  
17 out, folks, just to get us to a point here -- that if we go  
18 ahead and approve the rate increase request. We have this  
19 TACIR study that's coming up in the next few years. We'll be  
20 doing a lot of stuff, and if we approve it and have it as a  
21 sunset June 30th, 2006. For the next two years see what  
22 happens with TACIR, see what these folks can work out here, and  
23 then us monitor the situation and then make a decision -- if we  
24 have to review it between now and then. Does that sound  
25 agreeable?

1                   MEMBER RICH: I like the idea of sunset it  
2 for review.

3                   MEMBER PURKEY: I agree with Randy, we're  
4 not going to be able to resolve this.

5                   MEMBER BILBREY: But I don't think we can  
6 approve their rate increase until we determine that they're  
7 going to continue on with what they were funding last year.  
8 And I don't know what Mountain City was paying last year.

9                   CHAIR PORTER: Everybody continues their --

10                  MEMBER BILBREY: If their cooperative  
11 payment is as it was, then we can look at a rate increase, I  
12 think. But if they don't --

13                  CHAIR PORTER: I guess I need to ask a  
14 question of Lynn. Charles, I know where you're coming from.  
15 But we set some requirements on this board before about the  
16 amounts that they were going to be funding. Is that a  
17 requirement that we can't -- we can set at it 25,000 if we  
18 wanted to, though; right?

19                  MEMBER BILBREY: We were not going to allow  
20 to waive the local funding and replace it with a rate increase.  
21 Same thing here. Irregardless of what they come up with, the  
22 total money, we can't allow an increase in the rates to take  
23 the place of current funding. Everybody would just drop their  
24 current participation and go to the maximum.

25                  CHAIR PORTER: I think that's something that

1 the board has set as its policy, kind of. I don't think that's  
2 required. That's what I was getting with Lynn on. Am I right  
3 on that?

4 MS. QUESTELL: I think that you're right  
5 about that. The law actually says -- let me find it real  
6 quick. The law would support what Mr. Bilbrey is saying.  
7 Because the law -- it would be 7-86-306(a)(11) authorizing the  
8 board to, quote, raise the emergency telephone service charge  
9 rate of an individual emergency communication district up to  
10 the maximum established in 7-86-908(a)(2)(a) provided that the  
11 districts meets their financial and operational criteria  
12 established by the board in computation with the comptroller of  
13 the treasury.

14 And if you-all establish as criteria what  
15 Mr. Bilbrey just said about not allowing a raise in rate to  
16 counteract a reduction by a community that's participating in  
17 its benefits, then -- then you would be within your rights to  
18 do that.

19 You would also be in your rights to require  
20 Mountain City to pay a certain amount in contribution to this  
21 because they came here, and pursuant to 7-86-312 requested that  
22 you resolve this conflict. If that is how you chose to resolve  
23 it, you would be within your boundaries to do so.

24 MEMBER RICH: Randy, does that mean, then,  
25 we need to come up with a motion to approve and then like put

1 amendments on them?

2 CHAIR PORTER: I'd like to get us headed  
3 somewhere. So, yeah, if we can get a motion to approve then we  
4 can --

5 MEMBER RICH: Let me make a motion to  
6 approve the rate increase request.

7 CHAIR PORTER: Do I have a second?

8 MEMBER MOODY: Second.

9 CHAIR PORTER: Now, we have a motion and  
10 second to approve the rate increase. Any discussion --

11 MEMBER VICKERS: Are we going to approve the  
12 rate increase that they're asking for, just on the -- or just  
13 on the -- not the business? Is that what we're agreeing to?

14 CHAIR PORTER: Right. Just amend it to the  
15 \$1.30 on the residential lines. That's where we're at at this  
16 point. Now, if you-all want to make changes or amendments or  
17 discussions from that point, we'll try that again for a final  
18 decision.

19 MEMBER BEEHAN: How do you do the sunset?

20 CHAIR PORTER: We -- that's been something  
21 that we commonly set with the other districts, is that we  
22 sunset. And then we'll vote on each amendment separate.

23 MEMBER BEEHAN: On the residential fee, even  
24 though I might not agree with that, but the County and the 911  
25 board and the City, they will live with it, and that will be

1 their reputation, I happen to believe that the local districts  
2 should have their say --

3 MR. HAYNES: Mr. Chairman, may I add  
4 something. I think Mr. Beehan is very sensitive to something  
5 that in future rate increases are going to have to be given,  
6 probably, greater sensitivity. We are seeing more and more of  
7 these rural counties, like Van Buren County, 65 percent of that  
8 population is 65 or over. My guess is that, that Social  
9 Security check is not six digits, so I do think that what a lot  
10 of these counties are going to have to look at in the very near  
11 future, is they're going to have to be sensitive to those fixed  
12 income needs.

13 MEMBER BEEHAN: But the other side of the  
14 coin is, these folks are elected and they will now have to go  
15 back, this is their rate increase they have recommended. I'd  
16 like to see -- I like the next a whole lot better than this  
17 one.

18 CHAIR PORTER: At some point you get into  
19 that micro-management. We try not to do that. There's a fine  
20 line there.

21 MEMBER MOODY: Mr. Chairman, as far as that  
22 sunset, I think that on most of these we've had all of them to  
23 sunset at the end of three years. And I wonder if that  
24 couldn't be the logical conclusion here, to -- that this rate  
25 increase be accepted for three years, which would be July 1 of

1 2007.

2 MR. HAYNES: Could the staff offer a  
3 recommendation, that provided that you-all approve this, that  
4 each one of the rate increases heard today would have the  
5 standard three years on it, subject to a review in either one  
6 or two years in that three-year period depending on if there  
7 are any legislative changes to the 911 fee structure of the  
8 state that result from the TACIR study and the legislature  
9 taking up recommendations.

10 Because some of -- I know I was talking to  
11 my friend Mike Hooks back here, he's trying to work some  
12 creative financing that gives them the best dollar value. And  
13 when you do that, he's got to be able to get some lenders firm  
14 commitments. And he's not the only one, there's other  
15 districts too.

16 It might just be a suggestion if you want to  
17 approve it, approve it for three years conditional on the  
18 legislative 911 fee structure not changing by the general  
19 assembly, but if it does, the matter will be addressed on a one  
20 to two-year basis.

21 MEMBER MOODY: Mr. Chairman, I'll make an  
22 amendment that this sunset should occur in '207 with the  
23 stipulation that it will be reviewed if the legislature passes  
24 any legislation that would have any affect upon the  
25 distribution of funds for 911.

1 MEMBER PURKEY: Second to the amendment.

2 CHAIR PORTER: I have a motion and a second  
3 to set the sunset June 30th, 2007 depending on all legislative  
4 changes made until then. That was my point, on the 2006, is  
5 that the TACIR study would have been completed and any  
6 legislation should be resolved by then.

7 Discussion on just the amendment?

8 MEMBER BILBREY: Okay, when do we do another  
9 amendment, after this one?

10 CHAIR PORTER: Let's vote on this one first.

11 Any discussion on this amendment?

12 Hearing none, all in favor say "aye."

13 THE BOARD: Aye.

14 CHAIR PORTER: All opposed like sign.

15 Motion carries.

16 MEMBER BILBREY: Okay. I will offer another  
17 amendment. That we approve the increase dependent upon all  
18 parties providing the same funding level as they did this past  
19 year.

20 CHAIR PORTER: Do I have a second?

21 MEMBER VICKERS: Second.

22 CHAIR PORTER: I have a motion and a second  
23 as an amendment that the rate increase be based upon all the  
24 parties, the same funding that they had in the year --

25 MEMBER BILBREY: Let's make sure which years

1 we're talking about here. When did we get into this -- It  
2 looks like --

3 CHAIR PORTER: Last year.

4 MEMBER BILBREY: 2003.

5 CHAIR PORTER: Last year.

6 MEMBER BILBREY: Yeah, 2003 was an equitable  
7 year. It was a satisfactory year, was it not, for everybody?

8 MR. STEWART: This board last year, I think,  
9 addressed that the City would pay \$70,000 prorated, and that  
10 was just a half year. And they only gave us another 35 to make  
11 it a total of 60 instead of the 70,000 of the prorated rate.

12 MEMBER BILBREY: Well, '99, 2000, 2001, it  
13 was 140 and 141, 130,000, and then it dropped to 118, then back  
14 to 128 in 2003. It look likes somewhere around the \$130,000  
15 range is what everybody was participating. I don't know what  
16 the participating was by each one, but that's where we are.

17 CHAIR PORTER: Eugene, can you step up. Do  
18 you know what the funding, the exact funding was on this? And  
19 you're looking at the 2003-2004?

20 MEMBER BILBREY: 2003 here was 128,000 local  
21 government allocations.

22 CHAIR PORTER: Right. Do you know the  
23 breaking down of the 128,000?

24 MR. CAMPBELL: \$84,043 was from the County.

25 CHAIR PORTER: And how much from the City?

1 MR. CAMPBELL: The City is set up to pay  
2 60,000 this year. It was recommended by this board for 70,000,  
3 prorated. Which we're set up on payments to receive a total of  
4 60,000 from the City, not for 70,000.

5 And we requested the 70 from the City and  
6 they couldn't come to an agreement to give us the 70, but they  
7 did vote for the 60,000.

8 MEMBER MOODY: That's for what year?

9 MR. CAMPBELL: For this past fiscal year.

10 MEMBER MOODY: '203-'204.

11 MR. CAMPBELL: The one that we're working on  
12 now.

13 MEMBER BEEHAN: The one you're actually  
14 being paid on.

15 MR. CAMPBELL: Yes.

16 CHAIR PORTER: Discussion, any other  
17 questions?

18 MEMBER VICKERS: Yeah. Mr. Chairman, I  
19 think Rex brought up that if both of them was paying the same  
20 amount we wouldn't be going through this rate increase. That's  
21 what we've gotten back to now.

22 CHAIR PORTER: I'm not sure Johnson County  
23 is going to need as large of a rate increase request if we tell  
24 Mountain City that they're going to have to --

25 MEMBER VICKERS: They're the one that was

1 asking for us --

2 CHAIR PORTER: They're going to have a  
3 pretty hefty fund balance for this, especially if Mountain  
4 City --

5 MEMBER VICKERS: I don't see the rate  
6 increase if, you know, it's going to stay where they were. And  
7 the City's not wanting to go where they were. That brings up  
8 some questions.

9 MEMBER RICH: I have another question. You  
10 mentioned a while ago that the County did not petition us --  
11 can we, in this amendment, tell them they've got to stay the  
12 same they did last year?

13 MS. QUESTELL: No. They're not before you.  
14 They haven't requested you to intervene with their payments at  
15 all. So you really don't have jurisdiction over them. But you  
16 do have jurisdiction over the City because they passed a  
17 resolution seeking your assistance.

18 MEMBER RICH: So this amendment, we couldn't  
19 pass this amendment telling the County they have to pay the  
20 same?

21 MS. QUESTELL: No.

22 MEMBER VICKERS: The County is staying the  
23 same.

24 MEMBER BEEHAN: They asked us to intervene,  
25 they didn't ask us to mandate a certain amount of money. What

1 was the intervention or what was the context of their request?

2 MS. QUESTELL: They passed a resolution  
3 seeking our involvement. I don't have the resolution right in  
4 front of me right now.

5 MEMBER BEEHAN: What was the intent?

6 MS. QUESTELL: The intent was actually that  
7 we -- we intervene because the ECD had threatened to reduce  
8 their service.

9 MEMBER BEEHAN: How would we intervene?

10 MS. QUESTELL: Let me read you the statute.

11 MEMBER BEEHAN: No, not the statute. What  
12 have we done to help this situation?

13 MS. QUESTELL: Oh, how have we done it thus  
14 far?

15 MEMBER BEEHAN: Yes.

16 MS. QUESTELL: We had a hearing and we  
17 listened to the parties, and the board did not want to  
18 micro-manage this situation and asked the parties to go back  
19 and resolve it between themselves, which they were unable to  
20 do.

21 You make a good point, though, the exact  
22 issue that was raised by the City was the reduction in service.  
23 But as the discussion came out it became aware that it was  
24 really about funding. The whole issue was about funding.

25 CHAIR PORTER: What their fair share should

1 be.

2                   MEMBER LOWERY: One of the main things we  
3 did was direct the Johnson County Board that they could not  
4 stop the 911 services to the residents of the city.

5                   CHAIR PORTER: We made them continue to  
6 operate 911 for the City until they were able to figure out how  
7 much they were going to get paid for it.

8                   Now, what this board has to decide today is,  
9 do we -- what are we comfortable with. Do we -- do we leave it  
10 at the 25? Do you make it higher? Charles raises a good  
11 point, all the other rate increase requests -- or most of the  
12 rate increase requests that we've had we've made a stipulation  
13 that all the parties contributing beforehand, they had to  
14 continue to contribute those same amounts to get the rate.

15                   MEMBER MOODY: Mr. Chairman, I'm wondering,  
16 if we hold to that principle of retention of current level of  
17 funding from the two local governments that then if we really  
18 are in a position to even look at any further the rate  
19 increase, and that if we don't really need to send this back to  
20 them with the understanding they look at their finances,  
21 keeping in mind the principle of retention of current level  
22 funding, and then see what they need in terms of a rate  
23 increase. And then bring that back to us for consideration at  
24 the next meeting.

25                   I mean, if -- if we -- if there's some

1 concern about whether that rate increase is really needed or  
2 certainly not to the level that it's being requested, if the  
3 retention of current contributions is the same, then if we take  
4 any other action then it seems to me like we're taking action  
5 with -- without all the facts.

6 CHAIR PORTER: The Mayor wants to say  
7 something, or is everybody okay with it?

8 MEMBER BEEHAN: Intervention, and again, I  
9 apologize for being new, but we're using the right to  
10 intervene -- were they asking us to -- to get into -- I'm just  
11 talking out loud. Have we've gone and had them sit down at the  
12 table together --

13 CHAIR PORTER: That's been going on since  
14 January.

15 MEMBER BEEHAN: Okay.

16 CHAIR PORTER: They asked us --

17 MEMBER BEEHAN: I'm just -- that's the part  
18 I hadn't heard yet.

19 CHAIR PORTER: We sent them back for them to  
20 try to work it out amongst themselves --

21 MEMBER MOODY: We didn't try to mediate as  
22 somebody working between the two entities, did we?

23 CHAIR PORTER: No, we asked them to go back  
24 and work it out amongst themselves.

25 State your name for the record.

1 MR. MORRISON: Okay. I'm Bob Morrison, vice  
2 mayor. I was originally with the group and the petition.

3 There's -- let me make a little  
4 clarification that may help your -- your process a little bit.  
5 Basically, last year we budgeted \$25,000 for 911. When we met  
6 with the board in January, basically, in answering your  
7 question, what we had asked is that the services be continued  
8 for that \$25,000. That was the amount which we budgeted, that  
9 was the amount we were willing to pay at that time. Based on  
10 your motion to continue the services, the town paid up to  
11 \$70,000 prorated on the amount of services during the remaining  
12 part of the year. That's what we did.

13 So basically, our payment was still \$25,000.  
14 We then paid on a prorated basis to continue the services up  
15 until June, which this board asked us to return to. Now,  
16 that's where the additional amount of money came in balancing  
17 up to the \$60,000.

18 So basically, the town only budgeted  
19 \$25,000. We paid an addition for the services to continue from  
20 that point based on a motion and the action of this board.

21 MEMBER MOODY: How much did you budget the  
22 year before?

23 MR. MORRISON: Basically -- I hate to say, I  
24 don't really remember.

25 MEMBER MOODY: How much?

1 MR. MORRISON: I don't remember.

2 MR. STEWART: 84,000.

3 MR. MORRISON: And then the town reduced  
4 that to 25,000. So basically, this past year we only budgeted  
5 and paid the \$25,000.

6 Any other questions on that?

7 But in answer again to your question, you  
8 know, we petitioned to not lose the services based on paying  
9 \$25,000. And we realize, as Mr. Gobble says, that we were  
10 paying for the above services which included the dog catcher as  
11 well as the water department dispatching.

12 So when you're looking at what rate we paid  
13 last year, it was, basically, \$25,000. And by request of this  
14 board we paid an additional amount to cover from the first of  
15 the year up until June, which this board would then make the  
16 decision on the fair rate to be paid.

17 Any other questions on that?

18 CHAIR PORTER: Thank you.

19 MEMBER PURKEY: I guess, Mr. Chairman, as a  
20 local government official, and I respect what my friend Charles  
21 says about where we need to be at on local contributions. I  
22 guess the part of the board's action based on what Lynn feels  
23 like it's going to request to mediate this is I'm having  
24 difficulty in my mind ordering a local government agency to  
25 pay a certain amount.



1 County and 60,000 from the City is what --

2 MEMBER BILBREY: If that's what you're all  
3 did.

4 CHAIR PORTER: So that's your amendment;  
5 right?

6 MEMBER BILBREY: Yeah, I think that will get  
7 it, if that's close to what it was previously. The whole idea  
8 on this is don't drop.

9 CHAIR PORTER: Any discussion on the  
10 amendment?

11 CHAIR PORTER: You're voting to set the --  
12 that both parties retain that same amount, the \$84,043 from the  
13 County and 60,000 from the City is the amendment you're voting  
14 on.

15 MEMBER BEEHAN: Randy, I intend to vote  
16 against this for the reasons David Purkey brought up. I'm  
17 reading the resolution and it's hard for us to micro-manage.  
18 But what we're doing is, is basically asking -- or telling them  
19 to pay a certain amount. And I have a hard time doing that.  
20 So I'll be voting against it.

21 MEMBER BILBREY: Let the me mention one  
22 little thing too, along that line, we also are being asked to  
23 give them an increase to take the place of that. And we don't  
24 have to approve the increase, period.

25 MEMBER BEEHAN: That's true.

1                   MEMBER BILBREY: So now, you know, we're  
2 sort of in a catch 10.

3                   MEMBER BEEHAN: That has not been -- as soon  
4 as you say that it becomes clear. But that has not been clear.

5                   MEMBER BILBREY: Well, that's the way it is.  
6 We don't have to approve the increase.

7                   MEMBER PURKEY: In other words, they don't  
8 get both.

9                   MEMBER BILBREY: They get to continue the  
10 funding and the rate increase.

11                  CHAIR PORTER: Our vote right now is, the  
12 amendment is that they have the same funding and then the rate  
13 increase is also -- we have the motion -- you'll vote on both.  
14 You'll have an opportunity here to vote on both.

15                  MEMBER MOODY: Okay. Let's assume we vote  
16 yes on that, then. Okay, then we get to the motion, the rate  
17 increase, the main motion, and if I'm hearing anything right,  
18 it appears to me that you're going to vote that down. Then  
19 where are you in terms of dealing with them having to continue  
20 to do the same contribution for next year? It seems to me like  
21 we're in the same dilemma as they've been in all along. In  
22 other words, I don't know that we've accomplished anything.

23                  MEMBER BILBREY: My motion was that the rate  
24 increase is dependent upon their maintaining the same funding.  
25 So they're tied together.

1                   MEMBER MOODY: But then I heard some folks  
2 over here we're saying, that, okay, if you go ahead and give  
3 them -- if they put in the 84 and the 60, then they're not  
4 going to need that same rate increase.

5                   MEMBER PURKEY: They won't need as much.

6                   MEMBER MOODY: That's the reason I said a  
7 minute ago, I thought it was the logical thing to do, is for  
8 them to go back and look at -- keeping in mind that this board  
9 feels strongly that they must retain that same level of  
10 contribution of 84,000 and 60,000, then they need to look  
11 realistically at, okay, how much rate increase do they really  
12 need.

13                  MEMBER VICKERS: They don't need the rate  
14 increase if you vote to keep the funding the same as it was.  
15 Where they were losing out is we're not going to have the money  
16 to pay for the dispatchers and all. So that's the rate  
17 increase because the City was dropping their contributions. Am  
18 I not hearing it right?

19                  So if you're holding them to the same  
20 amount, there shouldn't be any rate increase to affect anybody.

21                  CHAIR PORTER: Just as a reminder to the  
22 board, we kind of asked them to bring a rate increase to us.  
23 So we're kind of going back against what -- before we started  
24 out we thought that would solve some of their financial  
25 problems that they're not -- for better or lack of a better

1 word, Charles, that they might be able to reduce some of the  
2 local funding I guess --

3 MEMBER BILBREY: Again, Randy, if you want  
4 to do that, you know, change the way we need to do, then you're  
5 going to have every ECD in the state up here doing the same  
6 thing.

7 CHAIR PORTER: I'm just saying that we kind  
8 of created this problem --

9 MEMBER MOODY: Okay, if you'll look on page  
10 10 and you look over for the allocated, then that means the  
11 contribution from the local government is going to have to be  
12 \$168,096, which is more than the 84 and the 60.

13 MEMBER BILBREY: That's without the  
14 increase.

15 MEMBER MOODY: Without the increase.

16 CHAIR PORTER: I see, Wanda's -- Wanda,  
17 you're right, that the rate increase, the way that they've got  
18 it figured is with that 100 -- \$112,000 with the increase,  
19 you're still looking at a high amount. That figures at about  
20 84 and about --

21 MEMBER MOODY: About 28.

22 CHAIR PORTER: -- about 28 from the City.  
23 So from bare bones, that's their bare bones budget. So I don't  
24 think they can get by without some form of rate increase.

25 MEMBER MOODY: That's my point.

1 CHAIR PORTER: It may not need be the

2 1.30 --

3 MEMBER MOODY: That's my point.

4 CHAIR PORTER: -- but it may need to be  
5 something. And what we may want to do -- and I don't want  
6 to -- we've been on this almost two hours of trying to figure  
7 out -- let's get some closure here and do something. We may  
8 put this into July and come back with both parties keeping  
9 their same funding method that they've been using and figure  
10 out what that amount needs to be.

11 Anthony thinks we need to go ahead and get  
12 some kind of closure today, that we need to try to set  
13 something and get it into the works for the next year or two.

14 MEMBER MOODY: Don, could you figure --  
15 they're asking to go to a \$1.30. Is that what it is, from 65  
16 to a \$1.30? Could you do any figuring in terms of what would  
17 happen if we reduced that increase to a dollar? And hope  
18 that -- and what that would get -- keeping in mind that they  
19 would continue at the same level of local contributions.

20 CHAIR PORTER: Is that 122,000?

21 MR. JOHNSON: That's 122.436.

22 CHAIR PORTER: For 2005 or '06?

23 MR. JOHNSON: For 2005.

24 CHAIR PORTER: So that would drop them from  
25 147,811 down to 122. So that's basically 25,000, is what that

1 drops. Which makes up for most of that difference between the  
2 25,000 the City is willing to put in and the 60 they put in  
3 before.

4 MEMBER MOODY: It pretty well makes it up.

5 CHAIR PORTER: Yeah. It gives them a little  
6 funds, about 10,000.

7 MEMBER RICH: Mr. Chairman, a question on  
8 the amendment, please.

9 CHAIR PORTER: Okay. Oh, go ahead and call  
10 the amendment.

11 The amendment that's on the floor is that  
12 the rate increase be dependent upon all the parties with their  
13 same funding of the previous year, which was the 84,000 and the  
14 60,000. Are you-all ready to vote on the amendment?

15 All in favor of the amendment say "aye."

16 THE BOARD: Aye.

17 CHAIR PORTER: All opposed?

18 THE BOARD: No.

19 CHAIR PORTER: The motion fails, the  
20 amendment fails.

21 Okay. We're back to the original amended  
22 motion that we got, your amendment plus to get the rate  
23 increase approved.

24 We've got the original motion that was made  
25 to approve the rate increase to \$1.30. We have the amendment

1 that Wanda made to sunset it to June 30th, 2007 based on any  
2 legislative change that might happen between now and then.

3 MEMBER PURKEY: Mr. Chairman, just one point  
4 of discussion, do I understand that \$112,550 with the rate  
5 increase that they requested and the commitment from the County  
6 of the 84,000, and to make that whole with the numbers that we  
7 have before us, the City would need to pay 28,550; am I correct  
8 on that? They would go back to Johnson County and we would  
9 wait on the sunset; right?

10 CHAIR PORTER: Yes. Just remember what  
11 Charles has brought up about what we've been doing.

12 I'd kind of like to see us throw this out.  
13 I kind of like Wanda's idea of knocking it down to a dollar and  
14 them keeping their same funding and let's try that for a year  
15 or two and let's see how it's going to work and --

16 MEMBER BEEHAN: If it goes down to a dollar,  
17 what would the funding be?

18 CHAIR PORTER: 60,000 and 84,000, like it  
19 was the year before, is what she's basing it on.

20 MEMBER LOWERY: What happens if the County  
21 does not approve this request for the budget? This is just a  
22 budget request, from my understanding, the commission hasn't  
23 voted on it yet.

24 CHAIR PORTER: You're right. And they won't  
25 probably pass -- vote on their budget until probably July or

1 August like a lot of counties. Yeah, I mean, they could be  
2 right back to us or anything could happen.

3 More amendments? Let's do something here,  
4 folks.

5 MEMBER MOODY: I'm going to make an  
6 amendment and that is I amend that we agree to improve the  
7 increase of \$1 with the stipulation that each governmental  
8 entity would contribute the same amount, that is the 84 and the  
9 60.

10 CHAIR PORTER: Do I have a second?

11 MEMBER BILBREY: Second.

12 CHAIR PORTER: I've got a motion and a  
13 second that we amend the motion that we reduce the rate  
14 increase down to \$1, residential, and that the County and  
15 City -- that's with the County and the City -- contingent upon  
16 the County and City maintain their same funding of 84,000 and  
17 60,000.

18 MEMBER MOODY: Right.

19 CHAIR PORTER: Discussion?

20 MEMBER BEEHAN: The essence what we're  
21 doing, we're mandating the City to increase their funding --

22 CHAIR PORTER: We're actually mandating that  
23 the City go back to what they were funding before they cut it.  
24 Actually is what we're doing. They're going back to their  
25 original amount that they were funding before they dropped it.

1 Other discussion or questions?

2 We're voting on the amendment. All in favor  
3 say "aye."

4 THE BOARD: Aye.

5 CHAIR PORTER: All opposed like sign.

6 THE BOARD: No.

7 MEMBER PURKEY: Mr. Chairman, I'm going to  
8 pass on that until I get straight in my mind what our -- what  
9 our philosophy needs to be on funding.

10 CHAIR PORTER: One abstention and one no.  
11 Everybody else was aye. Motion carries.

12 So now are amended motion that's on the  
13 floor is that we approve the rate increase request at \$1,  
14 sunset it June 30th, 2007, unless the legislation changes the  
15 rates or something happens in the meantime, and then the City  
16 and County -- that's contingent upon the City and County  
17 maintaining their funding of 84,000 and 60,000.

18 Any other discussion or -- do you-all want  
19 to hear from the parties anymore? Do you all want --

20 MEMBER BEEHAN: What else can we hear?

21 CHAIR PORTER: I'm sorry, they've asked that  
22 you not -- yeah.

23 Are you ready to vote on the motion?

24 All in favor say "aye."

25 THE BOARD: Aye.

1 CHAIR PORTER: All opposed like sign.

2 THE BOARD: No.

3 MEMBER PURKEY: I'll abstain.

4 MEMBER BEEHAN: I vote no.

5 CHAIR PORTER: We have one no and one  
6 abstain. Everybody else is aye. Motions carries.

7 Lynn, will you draw up the necessary  
8 paperwork for us?

9 Anything else on the Johnson County?

10 What is the will of the board? It's 12:30,  
11 do you want to break for lunch and come back or how do you want  
12 to proceed?

13 MEMBER BEEHAN: Tell us where we're at.

14 (Discussion among board members.)

15 CHAIR PORTER: What's the will of the board  
16 here, do we want to take a break, do we want to continue on?

17 (Discussion among board members.)

18 CHAIR PORTER: Are you-all saying break? 30  
19 minutes?

20 (Discussion among board members.)

21 CHAIR PORTER: How about we take a  
22 20-minute -- how about we take 20 minutes, go grab a bite real  
23 quick or something and come back. Is that agreeable?

24 Be back in session -- 25 minutes. Be  
25 back in session at 1:00.

1 (Break in proceedings.)

2 CHAIR PORTER: Okay. We'll come back to  
3 order.

4 Our next item on the agenda is to consider  
5 the rate -- the next item on the agenda is to hear the Roane  
6 County ECD on a rate increase request. And, Don, do you want  
7 to just briefly go over the --

8 MR. JOHNSON: Okay.

9 CHAIR PORTER: We'll let the Roane County  
10 folks -- you-all want to come up?

11 MR. JOHNSON: This is Roane county. They  
12 have a population of 51,910. They are a Level III District.  
13 They're requesting a rate increase up to the maximum level of  
14 \$1.50 on residential and \$3 on business. And they would --  
15 they want that rate increase to be effective July 1, 2004.  
16 They plan for the rate increase -- they figure the additional  
17 revenue would expect to be on the average of \$443,000 per year.

18 The justification would be to, like it says,  
19 to ensure the continued, best possible emergency response for  
20 the people of Roane County. Also they want to utilize the  
21 cutting edge technology by putting in an automatic vehicle  
22 location system. Also they would like to increase the wages of  
23 their employees to be more competitive with other 911 centers.

24 As far as the history of the current rates,  
25 they originally, when the board was formed back in September of

1 1990, the initial rates were 55 cents for residential and \$1.50  
2 for business lines. Then they upped it to the standard rate of  
3 55 cents residential and \$2 business back in July of 1995.

4                   Like I say, one of the things they want to  
5 use for their rate increase is pretty much remodel the -- the  
6 room that they're in so they can have more space to move around  
7 and also to increase the salaries of their employees. And the  
8 other thing is, after increasing the salaries of their  
9 employees they want to hire at least two more full-time  
10 call-takers.

11                   And as far as equipment, they would like to  
12 get one more Repeater for their system and also do a -- have a  
13 Redundant PSAP system. Like I said, they want to do the  
14 automatic vehicle location and the reverse 911.

15                   On page 7 it gives you a list of all the  
16 agencies that they support. And then page 8 and 9 it also  
17 gives you the number -- the call volume that they have. They  
18 have a director, comptroller, assistant -- administrative  
19 assistant, who also does their mapping. They have one dispatch  
20 supervisor and 11 full-time dispatchers.

21                   They figure if the rate increase is  
22 rejected, one of the things they would have to do is freeze  
23 their wages and hiring, also go back to the citizens of Roane  
24 County to see about getting a rate increase. Which last time  
25 they did it, it was voted down. And when I asked Mike about

1 it, he said the referendum failed of about 65 percent -- I mean  
2 67 percent.

3 MEMBER PURKEY: When was that, Don?

4 MR. JOHNSON: That was done in November of  
5 1998. It was a county-wide referendum.

6 As far as any debt, they don't have any debt  
7 that they have outstanding. The audit report shows budget --  
8 lack of budget control, basically the over spending of their  
9 budget in a few areas. And also they have a problem with  
10 segregation of duties. Basically, they probably have -- well,  
11 it says here one person is responsible for receiving the mail  
12 and cash receipts, making deposits, writing checks, and  
13 recording transactions for internal reporting.

14 They have here six 911 trunk lines and seven  
15 administrative office lines. On page 13 of the -- as of  
16 April 4th, that they have 19,270 residential lines and 2,682  
17 business lines.

18 For their five-year projection that they  
19 sent in, on page 17, like I said, they would like for this to  
20 start July 1st, 2004 when they expect an increase 188,513 per  
21 year to accommodate them in what they want to do. In fiscal  
22 year '05 you see that without the increase it's 254,899, with  
23 the increase it would jump to 443,412. They would have a net  
24 increase of 68,693.

25 They would continue to have a small growth,

1 roughly about the one percent each year. And fiscal year '09  
2 they would have -- without the increase they would have  
3 270,540. And with the increase they would have a revenue of  
4 470,621 with a net increase of approximately 48,918.

5 In doing my analysis, like I said before in  
6 the last one, I used their five-year expenditures and I plug in  
7 their current rate -- I mean, residential lines and business  
8 lines for their revenue side. And I come out with fiscal year  
9 of 2005, 60,000 -- a net income of 60,635. And that income  
10 would continue all the way to fiscal year 2009 with \$22,011.  
11 The retained earnings -- as we say, net assets, as based on the  
12 new accounting language now, would be for fiscal year 2009 is  
13 projected to be 853,501. The ending cash is projected to come  
14 to 494,215.

15 They did send in their inter-local  
16 agreements with various cities and also with the County. All  
17 these entities that they have listed here do contribute money  
18 for their operations. They have, basically, standard type of  
19 local agreements.

20 CHAIR PORTER: Questions of Don?

21 MEMBER MOODY: You're projecting -- in their  
22 local government money I noticed all throughout you're  
23 projecting an increase. Do we have that kind of commitment  
24 from the local governments for that kind of increase?

25 MR. JOHNSON: I think these agreements are

1 based on an annual basis the way these letters are written.

2 No, I don't have one that goes further out.

3 CHAIR PORTER: You know, Wanda, I thought  
4 about that exact same thing a while ago, and I noticed in here  
5 something -- and I can't put my hand on it now -- that there  
6 was an increase particularly with Roane County's budget and  
7 they signed off on it.

8 I'm impressed by the local participation  
9 from all the cities and entities and particularly the ambulance  
10 service to make a contribution like they're making.

11 MEMBER MOODY: Do they have -- do you all  
12 have rural Metro --

13 ROANE COUNTY REPRESENTATIVE: No, ma'am, we  
14 have our own ambulance service.

15 CHAIR PORTER: Other questions of Don?

16 Rex, where are you?

17 MR. HOLLAWAY: This first view is so you can  
18 see what the operation looks like. Of course, this is a  
19 dispatch stand alone facility in Rockwood. Operations are done  
20 by the Roane County ECD. All areas of county are dispatched  
21 from this PSAP except for Oliver Springs. Oliver Springs is  
22 actually located in three counties so it's held by Anderson  
23 County ECD.

24 There's the dispatch center. They have 11  
25 full-time call-takers. I think the staff itself has a director

1 and a comptroller.

2                               Here's the equipment. They're on  
3 CcommandPlus radio console. Some of you that own dispatcher  
4 centers will recognize this, they have a secondary market unit  
5 or a unit that is manufactured by a secondary marketer called  
6 Maytronics. They're working on some service issues off of  
7 that, so that's part of their rate increase. They have an  
8 audio-log recorder they interact with a slash TCI dial-up  
9 controller and they use a CAD system made by Emergatech.  
10 This is what I was talking about with Maytronics, they're very,  
11 very -- almost exact replicas of each other.

12                              And Don told you some of these, but we've  
13 got here a replacement of the radio console, is one of the  
14 reason for the rate increase, an increase in dispatcher  
15 salaries, to accommodate training needs, the upgrade CAD, they  
16 are migrating from the old Windows '98 operating platform for  
17 their computers, and they also need some resources to do their  
18 addressing better, some GPS system and a digital camera.

19                              And Mr. Chairman, that's it.

20                              CHAIR PORTER: Questions for Rex?

21                              Good job, Rex, thanks.

22                              If you want to introduce all the folks you  
23 brought from Roane County and we'll hear from you-all next.

24                              MR. HOOKS: Thank you, Mr. Chairman, I have  
25 with me today our board chairman, Mr. Donnie Evelyn; our

1 comptroller, Ms. Frances Long; and our county sheriff,  
2 David B. Haggard, someone pointed that "B" out a while ago.  
3 Our county mayor wants to send his regrets that he had a  
4 conflict with the scheduling and was not able to be here today.  
5 But he totally supports this. He sits at our board himself.  
6 He doesn't have an alternate. He sits on the board himself.

7 MEMBER PURKEY: Mr. Chairman, for the record  
8 Mayor Yager did call me and said he was in full support of the  
9 rate increase.

10 CHAIR PORTER: Okay.

11 MR. HOOKS: Thank you, sir.

12 We couldn't have done this application  
13 without the help of Anthony and his staff here at the state 911  
14 board. They were very helpful in preparing this application.

15 As Anthony and I have discussed, when you  
16 get out into these rural areas paperwork seems to be not as  
17 important, and finding someone to put elaborate packages  
18 together -- which I was in the military for a while, and it's  
19 dress right, dress, everything has to be in a certain order --  
20 sometimes gets difficult. We appreciate your help, Anthony.  
21 Mr. Johnson, we appreciate your help and the staff's help in  
22 providing us input on this application.

23 We in Roane County, Tennessee are just like  
24 your typical rural county. We have experienced high increases  
25 in the cost of equipment, the cost at the gas pumps when you go

1 and buy gas, when you go to the 7-11 to buy a gallon of milk.

2 We've encounter all of those increases.

3                   As before you, Herman County has came for a  
4 rate increase. Loudon County has came for a rate increase.  
5 Rhea County. All these county boarder us. And buy rightly so,  
6 they went back and they raised their operator's salaries to  
7 what I feel it should have been all along for the  
8 professionalism and the jobs that they do. Which puts a burden  
9 on our center because we became a training ground for 911  
10 operators to come into our facility, get the training that the  
11 basic dispatch, the EMD, the NCIC training, and go on to better  
12 paying positions such as the Sheriff's Department in some  
13 cases.

14                   And I can't default their sheriff. The  
15 Sheriff has worked hard to get his salaries up. And he pays a  
16 good salary and we're proud of that.

17                   Our equipment is now becoming old. I've  
18 worked hard since 2000 when I took the director shield of 911  
19 of paying us out of debt. I'm a Democrat, but I'm a very  
20 conservative Democrat.

21                   We took on a debt of almost \$280,000, I paid  
22 us out. I saw that my CDs in the bank wasn't, they were coming  
23 due, they weren't bearing any interest. We had some savings  
24 that we put back. So I said, you know, I'm paying six percent  
25 interest on a bond issue, getting a one percent return on a CD.

1 So what are we going to do here, folks? We're going to take  
2 that CD and we're going to pay ourself out of debt.

3 But still, I don't have the capital, I don't  
4 have the revenues to bring my salaries up, to go out here on  
5 the market with Dell to replace my old servers, which are  
6 Precision 222 Dells, '98 operating systems on them. We just  
7 don't have that kind of money put back for those kind of  
8 raining days.

9 I have a fixed \$7,000 CD in the bank that we  
10 have chose to sit there just in case there's ever a time that  
11 we have a situation where our insurance won't cover it all,  
12 that will cover it. And two occasions we have been struck --  
13 struck by lightening in Roane County and it has totally knocked  
14 us out of 911 service. We need a PSAP, a Redundant PSAP site  
15 to where we can roll those lines to and continue to service the  
16 people.

17 And I would entertain any questions that  
18 you-all have. And I'm just tickled to death that you-all had  
19 us down here. Thank you.

20 CHAIR PORTER: Thanks Mike.

21 Any questions from the board members of  
22 Mike?

23 Do any of your other folks want to say  
24 anything, Mike?

25 MR. HOOKS: They say I talk an awful lot.

1                   AUDIENCE MEMBER: Since he's our neighbor I  
2 just want to say thank you for the service you've given us. I  
3 know we've had a couple of incidences where, we've had two and  
4 two weeks that required a major shutdown and you folks down  
5 there helped. And I just want to say thank you.

6                   MR. HOOKS: Thank you, sir. And that's --  
7 in one on my want list. Now, my want list is very long, you  
8 know. And one of the things in that want list is an automatic  
9 dial-out for evacuations. We're right next to Oak Ridge.  
10 We're right down to -- we have the TVA Nuclear Plant on the  
11 other side of us. We were gearing up to evacuate a five-mile  
12 radius. And if we had to evacuate a five-mile radius, Oak  
13 Ridge and Roane County, Herman County, Loudon County, they  
14 would all probably have had to help us because we -- we would  
15 have been in trouble.

16                   AUDIENCE MEMBER: We would have helped you.

17                   MR. HOOKS: I know you would have.

18                   CHAIR PORTER: Any questions?

19                   MEMBER PURKEY: Mr. Chairman, while we're at  
20 the table I just want to mention that Roane County is one of my  
21 PPI counties and I knew Sheriff Haggard in his former role as  
22 chief deputy and Mike Hooks was a Rockwood police officer while  
23 I was there. These are honorable people. There's not a more  
24 esteemed man than David Haggard. I would just say to my fellow  
25 board members that they're good people and I've been with them

1 in emergency situations, I know what they mean. I would just  
2 say that what you have before you is what you're going to get  
3 if you give them this rate increase.

4 MR. HOOKS: Mr. Chairman, if I could, I  
5 would like to answer my friend Ms. Wanda's question a while  
6 ago. Our county local government, county, cities alike, are  
7 excited about our 911 system. They want to see it grow. I  
8 know since 2000 that we've done a tremendous turnaround in that  
9 center. Each year, this budget here included, each year my  
10 five-year projection has included a three percent growth of  
11 their contribution. And they're happy to do so.

12 At one the time they even, when I needed to  
13 go out and hire another call-taker and didn't have the money to  
14 do so, they stepped up to the plate and gave me a 17 percent  
15 increase.

16 As you'll look at their contributions now,  
17 their contributions now are equal or greater than our landlines  
18 there in that county. So they -- they come to the plate with  
19 their portion and are happy to do so.

20 MEMBER MOODY: Mr. Chairman, in order to get  
21 this on the floor, I'm going to move that this rate be  
22 increased.

23 CHAIR PORTER: Do I have a second?

24 MEMBER BEEHAN: I'll second that.

25 CHAIR PORTER: I have a motion and a second

1 that approve the rate increase for Roane County, any  
2 discussion?

3 MEMBER BILBREY: Yeah, can I ask something?

4 CHAIR PORTER: Sure.

5 MEMBER BILBREY: Going back to 2000, you got  
6 a lot of repeat findings. And I know, as he said, everybody is  
7 honorable and, you know, all of that. But you've got one here  
8 that's not a real good finding. In 2002 and 2003 your  
9 segregation of duties --

10 MR. HOOKS: Yes, sir.

11 MEMBER BILBREY: You've got one person  
12 responsible for receiving the mail and cash receipts and making  
13 deposits, writing checks. All that under one person?

14 MR. HOOKS: And we -- we have -- we have  
15 confronted that each year with our auditors. They understand.  
16 They say they have to put it in. They say in our situation we  
17 have the best that we can do in the situation that we're in.  
18 But they say, according to state law, they have to put that in  
19 their findings.

20 Now what we have done at our center, since I  
21 have hired a mapping and an address person full time, we have  
22 gave her some of those duties. Ms. Frances, our comptroller,  
23 she prepares the invoices, she writes the checks; I review  
24 every one of them. Then my board chairman signs, along with  
25 the secretary. They don't sign -- we don't sign the checks



1 how you do it.

2 MR. HOOKS: Yes, sir.

3 MEMBER BILBREY: You don't want one person  
4 doing too many things.

5 MR. HOOKS: No, sir. And I agree with that,  
6 yes, sir.

7 MEMBER MOODY: And to follow up on it, I  
8 would agree. I think the critical thing is that you at least  
9 have two people involved for checks and balances and that you  
10 require at least two people -- the approval of two people from  
11 the standpoint of invoices, payment of invoices, checks, and  
12 that kind of thing. I don't think it's meant to say that  
13 you've got to hire two people that exclusively that's all they  
14 do is to handle that sort of thing.

15 And I would agree, being a good conservative  
16 Republican, I don't believe in spending a lot of money that you  
17 don't need to spend and just hire people to say you've got  
18 people on the payroll.

19 MR. HOOKS: Point well taken, there,  
20 Ms. Wanda.

21 CHAIR PORTER: Other discussion?

22 MEMBER LOWERY: That's probably one of the  
23 single or maybe the second single -- second most write-up that  
24 the districts have, segregation of duties.

25 CHAIR PORTER: When you've only got one

1 employee or two employees it's just hard to do. That's the  
2 same thing my auditor tells me, is that I've got to put these  
3 things in there regardless of what I think sometimes.

4 MEMBER PURKEY: Mr. Chairman, I'd like to  
5 see the districts involve the board chair as a co-signer. And  
6 a lot of districts don't do that. That's a good other set of  
7 eyes that -- I know our board chair in Hamilton County cosigns.  
8 And routinely he'll question the checks.

9 CHAIR PORTER: And I think the same thing,  
10 David. I'd like to see it everywhere that the chairman and the  
11 treasurer sign the checks.

12 Anthony wanted to make sure we make a point,  
13 and I noticed just reading through this, this is one of the  
14 better applications that we've seen come through on a rate  
15 increase request.

16 It's very thorough, and you-all did a very  
17 good job on that. I was impressed by the thoroughness of it.

18 MEMBER BEEHAN: You know what that reflects,  
19 a lot of what we do in government is about relationships, and  
20 we don't talk about that, and I think this is a reflection of  
21 the relationship this board has with the elective officials.  
22 And I think that is critical when we try to conserve some of  
23 the taxpayers' dollars. And I commend you for doing that. I  
24 think that that's what really shows.

25 CHAIR PORTER: Cooperation on the local

1 level, you can really see that you-all have that.

2 Other discussion or questions?

3 Okay. All in favor say "aye."

4 THE BOARD: Aye.

5 CHAIR PORTER: All opposed like sign.

6 Motion carries.

7 Mike, and all your folks here, we appreciate  
8 all you-all back on this. The staff will work with you in the  
9 next few days to in getting a letter for your phone company and  
10 everything to get your increase going.

11 MR. HOOKS: Thank you, sir. Thank you,  
12 ladies and gentlemen. We're going to go have cat fish.

13 CHAIR PORTER: The next item is the  
14 agenda -- the next item is the extension of a rate increase by  
15 White County. Of course, we gave them a rate increase a few  
16 years ago and their sunset has come up and we need to make a  
17 decision if we're going to increase that or not.

18 Do the White County folks want to come up?

19 MR. COLE: Are we going to do that today? I  
20 thought you were going to put it off until July?

21 CHAIR PORTER: We'll have to make a  
22 decision. The board will have to decide.

23 I'm going to let -- there's some extenuating  
24 circumstances here and I'm going to let Anthony address the  
25 White County issue.

1                   MR. HAYNES: Mr. Chairman, the staff would  
2 recommend to the board that in terms of extending the rate --  
3 well, what staff recommends as far as the rate increase  
4 continuation, which sunsets on June 30, '04, to grant a  
5 temporary extension until -- if you take the staff's  
6 recommendation, to have a July board meeting -- to the July  
7 board meeting where you have had ample time to review cash flow  
8 projections that were provided after the information was  
9 compiled for this meeting. Give you a little bit more time to  
10 review that.

11                   In the meantime, though, in order to free up  
12 matters for that meeting for a justification for increase, one  
13 of the items that you-all addressed a year ago was the fact  
14 that a number of items at the previous rate increase going back  
15 to 2001 had been based on, and the staff recommended you-all  
16 getting that off your docket, so to speak, and getting that  
17 issue out of the way and getting a status report on those and  
18 any other items you might want to talk about, rendering a  
19 temporary extension to July, have a meeting then, and then take  
20 up whether or not that rate should increase for future years.

21                   CHAIR PORTER: So do you want to ask the  
22 board to put this off to the July meeting, or do you want to  
23 talk about some of this stuff today?

24                   MR. HAYNES: I think what you -- what staff  
25 is recommending is that you -- that you adopt a temporary rate

1 increase extension to July or the next ECB board meeting,  
2 whenever that is. And at that point we will have adequate time  
3 to work with Harry and the White County staff to give you good  
4 cash flow projections and get better information considering if  
5 putting on an increase extension is warranted on a more  
6 permanent basis. That would be what staff would recommend.

7 MEMBER BILBREY: Do you need a motion to do  
8 it or what?

9 MR. HAYNES: Yes, sir.

10 MEMBER BILBREY: So moved.

11 CHAIR PORTER: Do I have a second?

12 MEMBER LOWERY: Second.

13 THE CHAIR: Motion and a second that we  
14 defer this hearing on White County and give them a temporary  
15 extension on their rate until the next ECB meeting. Is there a  
16 question?

17 MEMBER MOODY: Yeah. I guess my question  
18 is why didn't we have the information today?

19 MR. HAYNES: We got a revised cash flow  
20 statement, what was it, Harry, two days ago, something like  
21 that?

22 MR. COLE: Tuesday.

23 MR. HAYNES: There was an earlier one and  
24 Harry noticed there was some mistakes in it, so he sent a  
25 revised one. And so staff's requested it, that's why we

1 considered it. Harry, may some other circumstances that he may  
2 or may not want to address.

3                   We just didn't want to shove a cash flow  
4 projection that you haven't had time to really go through,  
5 staff hasn't really had time to go through and ask you to make  
6 a decision on that. And really as a matter of fairness and  
7 equity to other districts that have to go through that  
8 projection process, you know, it could take weeks and months.  
9 And then the staff looks at it for weeks before we get it to  
10 you. We just thought that we should do all of these the same.

11                   MEMBER MOODY: I agree with you. I wonder  
12 also if at the time, prior to our considering it, do we have an  
13 update on what has occurred during this three-year period as it  
14 relates to the expenditure to those increase dollars?

15                   MR. HAYNES: You could or you-all could  
16 elect to do that now. It's whatever -- I'm actually prepared  
17 to give an update on it, or we can just address it all then.  
18 It's whatever you want to do.

19                   Do you want to say something, Harry?

20                   MR. COLE: Well, Anthony has given me the  
21 chance to explain something. When we came here in 2000-2001,  
22 we had 13 items that we were asking to buy. The board at that  
23 time and the County of White and the City of Sparta, everybody  
24 agreed that's the way we were going to go. But our board has  
25 changed. In the last year and a half or the last two years we

1 had some board members that decided that even though you  
2 granted the increase and we had the plan, they wasn't going to  
3 let us spend the money for those items. They didn't want to do  
4 that. They wanted to spend it for other things.

5                   Basically, we've got -- and, Rex, I'm going  
6 to paraphrase a little bit, so you jump right in. Rex has been  
7 up there a couple of times and he sent a letter back to us  
8 saying that White County has an ideal rural 911 center. It's  
9 secured well. It operates, basically, the way it should be.

10                   We had some folks that wanted to move where  
11 we were at to another building somewhere else and incorporate  
12 the 911 operation with a EMS and a EMA operation and wanted the  
13 monies that we had set aside for what we had extended -- we  
14 were going to expand based on these 13 items, then we wanted to  
15 use that money to help build this building for these other  
16 entities. And we told them then, that, number 1, we would be  
17 deceiving the people of White County if we spent the money for  
18 anything other than what we asked for the rate increase for.

19                   And secondly, we didn't believe that 911  
20 monies could be utilize to assist the EMS and the EMA in a  
21 building project that we didn't know -- really didn't know  
22 anything know about. They did this without my knowledge. I  
23 didn't know anything about it, or all of the 911 board,  
24 basically, didn't know anything.

25                   This just kind of came up out of the clear

1 blue. These people were working on this, and they decided this  
2 is what they wanted to do without us -- without us knowing  
3 anything about it. So it just kind of got set on that burner.

4 MEMBER MOODY: Who are these people?

5 MR. COLE: These people are some of the  
6 county commissioners in White County. A group of county  
7 commissioners. They had set aside to develop -- what they were  
8 trying to do, Ms. Moody, is develop -- they got a building now  
9 where the EMS is at that's inadequate. They wanted to build a  
10 better EMS facility that would house them separate and apart  
11 from -- from where they are at now. They were trying to gain  
12 money for this. This is one of the ways they thought they  
13 could use it.

14 We had -- this money that we were  
15 accumulating, we had money for a CAD system, which we're --  
16 we're getting ready to issue the contracts on that. It was  
17 \$80,000 for that. This building extension was 65,000. All  
18 total there was 200 -- close to \$200,000 in the fund out there  
19 that we were waiting to accumulate to get enough money to do  
20 all of these things. But we couldn't -- even though you gave  
21 us the rate increase, okay, we still had to wait until we  
22 accumulated the money to be able to -- to buy it. And that's  
23 where we're at right at right now.

24 This past Monday evening our 911 board set  
25 up a committee to view how we're going to build the extension

1 on the building, which is the 65,000 we set apart. As I said,  
2 we've already committed to a company to build a CAD system  
3 agreeable to the board. This money will all be expended -- the  
4 contracts will be issued. Now, whether the monies are actually  
5 expended before the end of June, I'm not sure. But the  
6 contracts will be there and the projects will be underway.

7                   We've got -- we've had too many people,  
8 really, trying to manage that money because of all the other  
9 counties -- you know, the other counties across the state, most  
10 of them are having financial problems so they're looking  
11 everywhere they can for money. And they were going to reach in  
12 the 911 and take the money out to utilize it for something that  
13 was a non-911 project, really.

14                   Now, with that, my board asked me to send a  
15 letter to the -- to Anthony and request that this money be set  
16 aside and be able to be held for building the building later  
17 on. Anthony responded -- or the attorney and Anthony  
18 responded, saying you came to us, you told us this is what you  
19 were going to spend it for, you told your citizens this is what  
20 you were going spend it for; this is what you must spend it for  
21 or you have to give it back to the people. Basically is what  
22 the letter --

23                   CHAIR PORTER: There's a copy of that letter  
24 in that packet.

25                   MR. COLE: And I appreciate that. And thank

1 Anthony very much for -- the board allowing him and Lynn to  
2 issue that. Because we needed that because we need -- we need  
3 the 13 items that was on that list, every one of them.

4 I'm sad to say that I don't have anybody  
5 from my 911 board down here with me today. I begged them to  
6 come. They wouldn't come. They didn't want to come. They had  
7 other things. I'm not -- we're supported by the people of  
8 White County, but I don't have a -- I don't have a 911 board  
9 that's always together on everything we do.

10 I'm sorry to say that. I wish it wasn't  
11 that way. I understand where this -- Johnson County, and I  
12 see -- I see a little bit of some of our problems, not  
13 nearly -- they've got more problems than I've got, but I got  
14 some of that.

15 MEMBER MOODY: Do we have a motion on the  
16 floor?

17 CHAIR PORTER: Not yet.

18 MR. COLE: Let me tell you, Mayor Sullivan,  
19 our county mayor, was planning on being here today to help --  
20 he was the only one, and he's not on my board. But he was  
21 going to come. And I called him last evening and told him that  
22 basically this was going -- that I thought it was going to be  
23 put off and he wouldn't have to take his whole day to come down  
24 here.

25 So he supports this very much so, and I'm

1 sure I could get him and anybody -- some of the other  
2 commissioners to come down.

3 MEMBER MOODY: Mr. Chairman, I was just  
4 going to move that we concur in deferring this until July but  
5 with the stipulation then in July when we reconsider, having  
6 received the documentation, that the chairman of his board and  
7 other members of his board be here to be able to answer  
8 questions and address some of the concerns at hand that's  
9 outlined in this letter of May 24th.

10 CHAIR PORTER: Do I have a second?

11 MEMBER BEEHAN: Second.

12 CHAIR PORTER: I got a motion and a second  
13 that we deferring White County and understand that their rate  
14 increase will continue to be in existence and nothing happen  
15 until we meet again in July --

16 MEMBER BILBREY: This an amendment to the  
17 first one? We already had one, as I remember.

18 CHAIR PORTER: Did we have a motion on that?

19 MR. COLE: He made a motion a while ago.

20 CHAIR PORTER: I'm sorry.

21 MR. COLE: Charles made a motion.

22 CHAIR PORTER: I'm sorry.

23 MEMBER MOODY: Then I'll put an amendment on  
24 it that it's understood, of course, that we'll receive the  
25 documentation in adequate time for the staff to be able to

1 review and provide an analysis for us prior to meeting and that  
2 the chairman of this board and other members of the board be  
3 present at the meeting to address questions.

4 CHAIR PORTER: Do I have a second on that  
5 amendment? Are you okay with that amendment?

6 MEMBER BEEHAN: Yes. Second.

7 CHAIR PORTER: Charles, I apologize, I'm  
8 sorry, for some reason I didn't write that motion down.

9 So we'll be voting on the amendment, that is  
10 to have the chairman of this board and other board members to  
11 come to the July meeting and all the numbers be put together.  
12 Is there questions on the amendment?

13 MEMBER BEEHAN: I've just got a question --  
14 or discussion. The money -- you said the people in the  
15 county --

16 MR. COLE: We have a 911 district  
17 completely, totally consolidated.

18 MEMBER BEEHAN: Okay. I understand.

19 CHAIR PORTER: Any other questions or  
20 discussion?

21 MEMBER RICH: I've got one. But, Harry, in  
22 your latest board meeting, do all the board members know or  
23 concur or understand that the rate increase was granted on  
24 these things that's our executive director has printed here and  
25 that you're going to do or try to do as quick as you can?

1 MR. COLE: Yes. Did you give them a copy of  
2 the 13 items?

3 That's been given to my board over and over  
4 and over with an update on there.

5 MEMBER RICH: But what happened Monday, can  
6 you do it or not?

7 MR. COLE: Yes. We're going to do it. When  
8 they got the letter -- when they got a copy of the letter that  
9 Anthony sent back and he basically said, you know, you're -- I  
10 mean, he didn't say this in the words I'm getting ready to say,  
11 but he said in his letter you're defrauding the people of White  
12 County when you tell them you're going to do this. You're  
13 taking money from them to buy this but you didn't buy it.

14 MEMBER RICH: We've got that letter.

15 MR. COLE: He did a good job -- or Lynn and  
16 he together did. And I think it kind of -- it energized some  
17 folks on -- I had some board that changed. From 2000 to 2001  
18 we had about -- we've got about four or five new board members  
19 on there. And they said, well, what that board did back in  
20 2000 and 2001, they can't tell us what we have to do.

21 CHAIR PORTER: Do you have anything else?

22 MR. COLE: Nothing -- no, no, no. Nothing  
23 other than, are you going to give me a letter saying that my  
24 board chairman and these people need to come? Can somebody do  
25 that?

1 CHAIR PORTER: Yeah. In the next day or two  
2 if we enter -- we can have that done.

3 MR. COLE: I'd like to have that.

4 CHAIR PORTER: And I think that -- yeah,  
5 maybe that will get across to them how serious this matter is  
6 and that they need to be present. And I know they have busy  
7 schedules, but they need to take a half a day.

8 Voting on the amendment. Any other  
9 questions on the amendment or discussion?

10 All in favor say "aye."

11 THE BOARD: Aye.

12 CHAIR PORTER: All opposed like sign.

13 Motions carries.

14 And, Charles, I apologize again, that I  
15 missed your original motion. I had one of those brain lapses  
16 right there. I'm glad you caught it.

17 Your amended motion then is that we defer to  
18 the July meeting, next ECB meeting, whenever that may be, And  
19 that we send a letter and we ask the board chair and other  
20 members to come down and be present with that meeting, and that  
21 staff works with them and we get all the numbers and everything  
22 we need and then everybody's comfortable with the information.

23 Other discussion?

24 All in favor say "aye."

25 THE BOARD: Aye.

1 CHAIR PORTER: All opposed like sign.

2 Motions carries.

3 Thank you.

4 MR. COLE: See you sometime in the future.

5 CHAIR PORTER: Hopefully in July, we'll try  
6 to set something for the next meeting.

7 CHAIR PORTER: The next item is consider the  
8 request -- or extension of a rate increase for the Cumberland  
9 County ECD. Cumberland County folks want to come up?

10 Don, you're -- Anthony wants to make a  
11 statement.

12 MR. HAYNES: Mr. Chairman and members of the  
13 board, I'd just like to point out that Cumberland County has  
14 been very eager to have this matter addressed. I think --  
15 Bill, what, when did you start contacting everybody, a year  
16 ago?

17 MR. HUNTER: It was last May, yes.

18 MR. HAYNES: Nothing like a thoroughbred in  
19 the gate ready to go. I mean, he's been very active. From  
20 what it looks like in our four county visit he's also working  
21 with one of -- with Bledsoe County --

22 MR. HUNTER: Yes.

23 MR. HAYNES: Is that who you're working  
24 with?

25 Burning a little midnight oil trying to help

1 those guys out too. So he's wearing two hats.

2 But from time to time we get districts that  
3 wait until the last minute on some things and get stuff late or  
4 just don't have a good package put together at all and we  
5 really got to do some to hand holding. But Don -- I mean, Bill  
6 has patiently been waiting for over a year now for this day to  
7 come.

8 So I appreciate Bill and I told him it would  
9 be on the board meeting agenda soon.

10 CHAIR PORTER: Okay, Don, you're on.

11 MR. JOHNSON: Okay. This is a sunset review  
12 for Cumberland County. They have a population of 46,802. They  
13 are a Level II District. They would like to maintain their  
14 current rate from the rate increase that they received earlier  
15 to -- this is a typo in here, it should say \$1.40 -- to \$1.40  
16 for a residential and \$2.75 for business.

17 The reason for the rate increase is to  
18 facilitate the improvement of their training of dispatchers,  
19 purchase some equipment, both hardware and software, and  
20 construction and improvement of a communications center, and  
21 also to take part in their share of the cost for the program  
22 with the County and the City.

23 Let's see, like I said, the rate increase  
24 would be for \$1.40 residential and \$2.75 for the commercial.  
25 And that was done, basically, back in July of 2001.

1                   Some of the things they have for their  
2 additional rate increase, like I said before, if they can't --  
3 if they have a problem with that, if they don't get it anymore  
4 they will be -- they will no longer be able to furnish their  
5 one-third of the dispatcher salaries as it laid out in their  
6 agreement.

7                   Also what they want to do, the building that  
8 they plan to move into, is they worked out, pretty much, an  
9 agreement with the County, that the County would give them the  
10 land as an in-county contribution for housing the EMA and the  
11 EOC. And if they work that out, they will get an estimate  
12 value, basically, of about \$200,000.

13                   And as far as the other portions, the City  
14 of Crossville has agreed to carry a note for them for the  
15 facility at a rate available as a capital outlay note for about  
16 four percent over a 15-year period.

17                   With that proposed rate they would like to  
18 get a AVL system for their center. Also they -- they don't  
19 have anything for a backup display on the telephone console in  
20 the event of a computer network shutdown. So they would like  
21 to get something to help out with that. They also would like  
22 to replace what they have now with a Zetron 3100 telephone  
23 system and an outdated Proctor ANI Interpreter. What they  
24 would like to do is get a Zetron 3200 model which would take  
25 care of both of that, that situation of replacing that system.

1 They also would like to get an address GPS -- GIS function  
2 situated with a vendor so they can go ahead and step out with  
3 their system and everything.

4                   On page 7, it gives you a picture of what  
5 their center -- the architectural drawing. And on page 8 it  
6 gives you a quote of the Zetron 3200 system that they plan to  
7 purchase. They also give you a list of the county agencies  
8 that they have -- they operate or dispatch to.

9                   Currently they have one operational  
10 director. They have one lead supervisor. They have a shift  
11 leader -- three shift leaders, 15 full-time dispatchers, and  
12 one part-time dispatcher.

13                   As far as if they would -- if they were  
14 rejected from this rate increase one of the things that they  
15 would have to do is call for a public referendum.

16                   As far as actions that have taken place, of  
17 course, they came to the board back in 2001. And then the  
18 other thing would be right now the district is entering into  
19 negotiations with the County and the City of Crossville to  
20 build a permanent site for the Emergency Communications Center,  
21 as I mentioned earlier.

22                   And really the basis -- their main -- one  
23 basis -- main objective is to acquire a center because right  
24 now they're housed in the sheriff's department. And they  
25 pretty much need a little room to -- for their equipment.

1                   As far as the financial reports, the main --  
2 basically the only audit finding that are constantly coming up  
3 was overexpenditure of the revenues for the past few years.

4                   On page 15 it gives you a list of all of the  
5 equipment that they have and their cost.

6                   Their five-year budget schedule is pretty  
7 well in detail. They're using -- as far as their revenue,  
8 they're using -- they're assuming pretty much an increase of  
9 five percent a year over the next five-year period. And, of  
10 course, Bill says in here, if you look, he's trying to be as  
11 conservative as possible. But they also project an estimated  
12 two percent cost of living on a lot of the expenditure  
13 adjustments.

14                   With my calculations, with the residential  
15 lines being 21,787 and the business lines being 7,478, and this  
16 is as of March 2004, I got it as their net income being about  
17 87,359 in fiscal year 2005. And if this would continue to  
18 happen and is done all the way through fiscal year 2009 with  
19 143,891. Their retained earnings or their net assets, as we  
20 say, would be, as far as fiscal year 2009, is projected to be  
21 about 1,245,128. The cash balance as of 2009 projected would  
22 be about 1,098,291.

23                   And, of course, they have an inter-local  
24 agreement which is attached to this.

25                   CHAIR PORTER: Questions of Don?

1                   MEMBER RICH: On 3001 -- on their projected  
2 budget, their line item 3001, is that just one phone company?

3                   CHAIR PORTER: Do you have more than one  
4 phone company? One or two?

5                   MR. HUNTER: Three.

6                   MR. BOLIN: There's just a few customers and  
7 two others, other than Citizens Communication.

8                   MR. HUNTER: We actually have about 800  
9 under BellSouth and we have 80 residents with the Western  
10 Co-op.

11                  CHAIR PORTER: You've got to get your mic  
12 down there to you, you've got a soft voice.

13                  Any questions of Don before we get into  
14 questions of them? Any questions of Don?

15                  MEMBER BILBREY: Don, is this correct on  
16 this net assets in 2008 we're talking about \$1.2 million and  
17 total cash is 1 million?

18                  MR. JOHNSON: Yes, sir. That's with -- with  
19 a five percent increase a year.

20                  MEMBER BILBREY: That quite a bit of cash.

21                  CHAIR PORTER: We'll let them talk about  
22 that too. I think that's -- probably part of your question  
23 goes to them.

24                  MEMBER BILBREY: Well, yeah, I just want to  
25 make sure who is right on that.

1                   MR. HAYNES: A couple of things -- and I  
2 haven't talked to Bill about this, so he might address it in  
3 his comments when his time comes. But I notice in that  
4 five-year cash flow that they're allocating a hundred to  
5 200,000, I think, for a relocation, of their cash reserves. If  
6 they -- if they can keep it within that, I think that's great.  
7 But upon the other hand, you see that as -- that's why 2004  
8 they have a half million dollars in reserves.

9                   Now, I'll refer to my -- my board members  
10 that actually run a PSAP, and given that we're talking about a  
11 PSAP that's 28th in the top third, 28th largest in the state,  
12 my guess is, some of the financial situations that we've seen,  
13 Chairman Porter and I have talked about this, some of these  
14 districts need to have more than a few hundred thousand dollars  
15 in cash reserves just to cover expenses.

16                   And the staff would probably recommend, just  
17 what little I know about running a PSAP, a recommendation of a  
18 minimum of four to 500,000 unless some of you that actually run  
19 a PSAP thinks that's excessive. I've seen a few times in  
20 Memphis and few other things, where a few repairs or something  
21 will be made and you start -- you start counting up the revenue  
22 with these PSAPs and the next thing, you know, an accident or  
23 lightening strikes or something -- maybe that's one thing we  
24 could have done and requiring those counties at least by a  
25 lightening arrest of where they're going to put the PSAP. But

1 it doesn't take long to knock out a few hundred thousand  
2 dollars in cash reserves when you have problems.

3                   So I don't know what the magic number is.  
4 Some of you that do this for a living would and should know,  
5 but I would urge the board to take that into consideration in  
6 terms of looking at cash on hand in terms of certificates of  
7 deposits and other reserve funds.

8                   CHAIR PORTER: Other questions of Don?

9                   Let me get Rex and then we'll get with the  
10 district.

11                   Rex, you're up.

12                   MR. HOLLAWAY: Don has covered some of this.  
13 So we'll be -- and the board has heard some of this anyway, on  
14 the original request. But they're actually operating a little  
15 bit different from some of the other counties in that they have  
16 a Cumberland County Central Communications Committee which  
17 consists of several agency heads and folks from the 911  
18 district. But this particular PSAP does have -- dispatches all  
19 the calls for the County. It's temporary located. And it's  
20 really been temporary located for about two or three years now,  
21 since 2000, I guess, at the Sheriff's department.

22                   They receive about 2700 911 calls a month.  
23 They have a old type stand alone data base. And they are  
24 certified through the telephone companies in their county.

25                   Randy, this might look familiar to you. You

1 weren't actually there, but this picture is from 2001, I think,  
2 when we were there.

3 CHAIR PORTER: It looks familiar up there.

4 MR. HOLLAWAY: You've actually got an alibi  
5 from me for March the 30th.

6 CHAIR PORTER: You've got proof of where I  
7 was.

8 MR. HOLLAWAY: Yeah.

9 Four positions in their center. There's  
10 also a fifth position, what we call an equipment position for  
11 all the -- of a dispatcher position. Thirteen 911 trunks.  
12 Fourteen full-time personnel and one part-time call-taker, plus  
13 three working shift leaders and a lead supervisor and an  
14 operational director, David Hinkle (phonetically), and through  
15 Bill Hunter, the director, they have three addressing that do  
16 all the addressing they have.

17 And these are the photos from a couple of  
18 years ago. They have a -- I think Don mentioned, they do have  
19 the old Proctor ANI controller, the interactor -- their 911 CAD  
20 systems, Zetron, and a general mapping system.

21 And I know there are some other issues that  
22 you-all will probably get into, but one of the rate increase or  
23 rate extension justifications is the relocation to a public  
24 location and to continue to allow the ECD to participate in the  
25 three-way splitting of funding of the dispatch center.

1 CHAIR PORTER: Any questions of Rex?

2 Okay. Now, Bill, you want to introduce your  
3 folks that you've got with you today?

4 MR. HUNTER: Yes, for the record, my name is  
5 Bill Hunter, I'm the 911 director for Cumberland County. And I  
6 would just like to take this opportunity to thank the board and  
7 the staff here for having us up and all the help that you've  
8 given us in putting this together.

9 To my left here is my boss and board  
10 chairman, Everett Bolin; our county mayor of Rockhill; and  
11 David Hinkle is the operation director of the 911 dispatch.

12 CHAIR PORTER: Do you-all have anything you  
13 want to say?

14 MR. HUNTER: I have a presentation to give,  
15 if I could.

16 CHAIR PORTER: I'll ask the board if that's  
17 all right.

18 Go ahead.

19 You might want to pull one of those mics up  
20 there where it stands straight up so they can hear you.

21 MR. HUNTER: Rate extension, I probably  
22 should go back to the last time we were up here, I probably  
23 should take you briefly through a history of our revenue.

24 September 1990 is when we originally -- we  
25 had an original referendum when we established the original

1 rates of 65 cents per line and a dollar for business lines. In  
2 2000 a couple of things happened. The cost of the -- first of  
3 all, we were approached by the CCC. For everybody who doesn't  
4 know what our CCC is, basically the operational control arm for  
5 all of our all dispatch services. That's made up of -- it's  
6 chaired by the county mayor, the vice chair is the city mayor  
7 or representative, and all the emergency response department  
8 heads, they do the actual operational day-to-day performance of  
9 the dispatch services.

10                   They came to the district because they were  
11 having problems. What they wanted to do, is they wanted to  
12 expand the dispatch operation, much like Roane County was here  
13 saying earlier, and bring the salaries up to a level to meet  
14 custom rate for our other neighbors around the city. Well, the  
15 911 district considered that, took a look at it. And finally,  
16 through justification that if we were to go out and do our own  
17 911 system or if we were to go out and do a referral system, we  
18 would end up probably paying that amount of money for salaries  
19 any way. The only problem was that we didn't have the revenue  
20 source available to fill that kind of commitment.

21                   So based upon a request from the CCC, the  
22 district put together a package and we came up here in  
23 2000-2201. Our justification was to expand the dispatch  
24 operation, provide the quality of dispatch -- provide the  
25 quality of dispatch from call-takers, back then we still wanted

1 to provide an affirmative 911 dispatch site, and enhance the  
2 overall 911 operation in lead technology.

3                   At that time, although we came up here and  
4 asked for \$1.50 and \$3; ECB awarded us \$1.40 and \$2.75, which  
5 has been sufficient for our means since that time.

6                   So our third-part project evolves of running  
7 the dispatch center. And we do want to maintain the one-third  
8 split. That's worked extremely well in our county. We've got  
9 dedicated and motivated dispatchers. It's working out  
10 extremely well. We have a good working relationship with our  
11 city. We have a good working relationship with our county  
12 government. And we think it's because we're all equal  
13 partners, that is the reason why.

14                   We also want to provide for a new permanent  
15 facility for 911 dispatch for the EOC and EMA. A couple of  
16 reasons for this, one, we think it makes sense. If we're going  
17 to have an emergency communications center, it doesn't make  
18 sense to have an emergency communications center in one place  
19 and an EOC in another. We want the best possible 911 service  
20 that exists through existing technology.

21                   This is our five-year -- these are our  
22 figures, these 911 initiated -- 911 calls. As you can see, in  
23 1999 we had about 8900 911 initiated. In 2003 we got over  
24 16,000. So in five years we've almost doubled among the  
25 service we provided the citizens.

1                   We also have to look at our rising  
2 dispatcher requirements. These are the big three for us.  
3 These are our big three. You can see over here, we have --  
4 it's laid out by the year and by the month. But over the five  
5 years our sheriff's department has participated -- has doubled  
6 in the number of calls to the dispatcher. Same with the county  
7 police department. And although EMS doesn't have that rate of  
8 increase, they are steadily growing every year.

9                   We also have to look at the operational  
10 costs that the district has taken on as part of our role to  
11 fund this one-third. The first year that we did it was in the  
12 year 2000 and we had to pay out \$195,000 in costs. We're  
13 projecting for 2004 we're going to have \$231,000. That's just  
14 a 20 percent increase over these five years. What I need to  
15 point out here, and I guess brag on, although our services  
16 doubled over five years, the cost of doing that doubling  
17 service has only gone up 20 percent.

18                   Permanent facility, this is one of our --  
19 next to the one-third split, this is our next biggest priority.  
20 To get a background on this, 911 has been housed in the  
21 Sheriff's office since February 2001. Back in 1990 we were  
22 stuck in this little 8 by 10 foot room with two people in there  
23 basically taking calls and dispatching just for county  
24 agencies.

25                   In 1996 we took on the responsibility of a

1 consolidated. So we moved into a 10 by 14 foot room. We went  
2 from two positions to three positions. Before long we went to  
3 four positions. Okay. Three positions, we had an EMS county  
4 position and a city position and a supervisor position. And we  
5 also had two call-takers. In this little 10 by 14 foot office,  
6 it got to the point to where we were getting complaints from  
7 the respondents they couldn't understand what we were trying to  
8 say there was so much background noise going on. This was  
9 noise coming from the mics from the headsets. Background noise  
10 was such that it would override that mic.

11 Same thing with 911 calls. You'd get a 911  
12 call and the dispatchers would have to have the phone up to  
13 their ears with one hand over the other ear going like this and  
14 almost screaming at these folks asking them about their calls.

15 In 2000 the Sheriff, God love him, said we  
16 could have his training room. The pictures you saw earlier,  
17 that was his training room. We converted it to a dispatch  
18 center. He told us we could have it on a temporary basis of  
19 one year at that time. The reason for that one year was  
20 because in our original agreement the County agreed to try and  
21 find us a place to live within that one year.

22 And we have had numerous proposals. We've  
23 gone out on five or six different proposals of the county  
24 commission, but for one reason or another it has not come to  
25 fruition. In the year 2004, the dispatch, 911, addressing,

1 administrative offices are still housed at the sheriff's  
2 department.

3                   Just to give you a little idea, this is our  
4 addressing department, it's in the foyer. These are -- the  
5 courtrooms are running, so on court day we're fighting with all  
6 the court traffic, you know, people lined up for days out here  
7 right outside our office door, people can't come in, our  
8 customer service level drops, people can't come in.

9                   This is also a temporary wall that you saw  
10 up here dividing it. This area is not heated, it's not cooled.  
11 So in the wintertime that temperature gets about 65 degrees.  
12 In the summertime it gets up to about 85 degrees.

13                   At the time, we're glad to have it, we've  
14 got to live somewhere. But it's not really the best conclusion  
15 with what we should have.

16                   This office that you're seeing, this used to  
17 be David Hinkle's office. It's now part of the Department of  
18 Children's Services. That first door back there, that's a  
19 little restroom that anybody in the building can go in and use.  
20 Our equipment room is behind this little picture. That door  
21 has got to be kept open at all times. This room right here is  
22 6 foot by 8 foot. We have got all of our servers, all of our  
23 radio equipment, all of our cell phone equipment back in here.

24                   DCS, out front, when they have an interview,  
25 all of our fans and stuff are running in the background, they

1 can't hear what they're doing out front, so they shut the door.  
2 We went in here one time after that door was closed for two  
3 hours, the temperature in that room was over 100 degrees. That  
4 could lead to a catastrophic event, a complete shutdown of our  
5 system.

6                                 We also have a security issue. One of my  
7 nightmares is that one of these kids from DCS, you know, a  
8 mother has a couple of kids in there and the mother, she gets  
9 up to make a coffee or something like that, we have a little  
10 kid wondering around back in our equipment room, we've got  
11 computers in there and stuff and they start playing.  
12 Detrimental. Our concern, it's not a secure environment.

13                                 Let's take a look at the dispatch center  
14 itself. Like I said, I love the way our dispatch center is  
15 laid out. I think it's great. The dispatchers love it.  
16 They've got ample work space. Everything is consolidated.  
17 Everything is close on the two screens where they can get to  
18 it. They've got a radio on one side, a telephone on the other.  
19 We have our file system right in here. We even have a place  
20 for folks -- for their lockers.

21                                 You can see right here where our power  
22 distribution is, everything is external, everything was built  
23 to be temporary so that when the Sheriff says you're out of  
24 here we could pull everything off the walls and restore it back  
25 to its original condition.

1                                 This is David's office, the  
2 communications director's office. This is a temporary room.  
3 That's a false wall that's dividing it. This room is -- 8 by  
4 12 foot room. You can see how well the ventilation is. This  
5 wall here that you're looking at is actually an adjoining wall  
6 with no insulation, no soundproofing. On the other side of  
7 this petition is the deputy's squad room. So any time that the  
8 deputies are in the squad room over there, David just doesn't  
9 have the privacy he needs for interviews in his office or any  
10 business he wants to conduct, he's got to do it somewhere other  
11 than in his own office.

12                                 Now we get to my office. This is an 8 foot  
13 by 8 foot, what was meant to be a storage room. Right now I'm  
14 literally standing in the middle of the floor spinning around.  
15 I can't have two people in this office.

16                                 Something else, underneath my desk right  
17 there, that's where we keep all our spare parts. Also in this  
18 room I have two different computer systems. One is our -- also  
19 our internet firewall system and all of that.

20                                 Finally, I'd kind of like you to take a look  
21 at what we currently have for EMA. That's our EMA director.  
22 That's his cubicle. This is his assistant's cubicle.

23                                 Back in November 2002 we probably had one of  
24 the worst disasters we've had in quite a while. We had a  
25 tornado come through. Killed four people in our county. It

1 caused millions of dollars of damage. It went right through  
2 one of the most populated areas. We managed that entire  
3 response and recovery operation from that cubicle.

4                   When FEMA and TENA came through they had  
5 nothing but glowing words about how well we responded by using  
6 GIS deployment emergency response, but they said you need to  
7 have an EOC if you're going to effectively handle emergency  
8 operations.

9                   We came up with a good solution. We have a  
10 good faith agreement from the County. If you've ever been to  
11 Crossville, the Justice Center sits upon the hill, EMS is just  
12 right around the corner, a big plot of land right in between  
13 them. It sits on kind of a slope. The plan is, what we're --  
14 what we're going to do. We're going to dig into -- the slope  
15 back, build a retaining wall around it, that's the weather  
16 worst side, it would be basically protected.

17                   It would also be in close enough proximity  
18 that two of our major customers, not only would we offer the  
19 same level of service to the Sheriff's that we're offering now,  
20 we could also offer increased service to EMS using wireless  
21 networking.

22                   The design that we had laid out for it,  
23 excellent design. We're anticipating that this will fit our  
24 needs for possibly 40 years. On the inside here, there are no  
25 retaining walls. We'll use what's called a "pillar system."

1 so the system is running down the center. It's running down  
2 the center, so we could basically, if we have to expand the  
3 dispatch operation, say we have to go from five to ten  
4 dispatchers, which would be an approach on the EOC, we could  
5 just remove that wall. Take that wall out. Put the EOC in the  
6 conference room and basically just keep expanding this out.

7 CHAIR PORTER: You've got about a couple  
8 more minutes --

9 MR. HUNTER: Okay.

10 CHAIR PORTER: -- to wrap it up.

11 MR. HUNTER: Okay. This doesn't come  
12 without cost. We're looking at probably close to \$600,000, and  
13 this was projected almost a year ago. With our moving cost,  
14 the equipment we would want to put in there, we're talking  
15 close to \$800,000. Again, we've been rolling over these costs  
16 for the past few years because it doesn't make sense for us to  
17 put in a brand new telephone system right now because if we  
18 move, when we move we can throw a switch and change the 911  
19 system rather than take our whole system down and do -- do the  
20 move.

21 So with our local participation, from the  
22 County, like I said, \$200,000 from property assets. Emergency  
23 Management is going to account for 300,000 in system security  
24 communications and EOC. And the City of Crossville has agreed  
25 to carry a note at four percent interest. They are not --

1 there's no bond issue, there's nothing like that, they're just  
2 going to underwrite the whole loan for us.

3                   The question was asked, what happens if we  
4 don't get the rate increase or we don't get to maintain our  
5 current rate increase, the one-third split in operational  
6 costs, our anticipated needs is we have a need for five  
7 dispatchers, that's one-third of our entire amount. That, as  
8 David will tell you, that would be catastrophic on this  
9 operation. The facility would be in question, we're not  
10 staying in that building, that needs to be a priority. Our  
11 future technology --

12                   We have this copy here, this is the bottom  
13 line, our five-year projection, I should say, on the fiscal  
14 year 2004 with the increase, that is with our current one-third  
15 split. When I figure it without an increase, as shown here,  
16 and we're still in the red, I took that one-third split out,  
17 231,000. And we would still be operating in the red for the  
18 next five years. And that doesn't include with the facility  
19 cost.

20                   And down at the bottom line, in order to  
21 maintain the current level of E-911 service in Cumberland  
22 County we must provide for proficient, readily, and maintain  
23 the number of calls; insure the ability of available  
24 dispatchers; to provide an adequate, secure working  
25 environment; and to ensure the technology and equipment that



1 coming and taking out of your busy day as a county executive.

2 Did you have anything you wanted to say?

3 MR. HINKLE: I believe they covered  
4 everything, I'll just answer any questions, if I can.

5 CHAIR PORTER: Okay. Questions of the  
6 Cumberland County folks?

7 MEMBER PURKEY: Mr. Purkey, very quick of  
8 {Brock, I know it's in here, but I couldn't set my finger on  
9 it. How much does the County pay a year, approximately?

10 MAYOR OF ROCKHILL: Pardon me?

11 MEMBER PURKEY: How much does the County pay  
12 a year?

13 MAYOR OF ROCKHILL: Of the one-third of the  
14 dispatch? David, I don't know off the top of my head, a couple  
15 hundred thousand dollars.

16 MR. HUNTER: If I could answer that. If you  
17 look at our budget, it is literally a one-third split. The  
18 only thing that we don't provide for under our budget that is  
19 included in the County and City are our NCIC cost.

20 MEMBER PURKEY: I was just kind of  
21 interested in a dollar amount, a couple hundred thousand?

22 MR. HINKLE: If I may, the way the County  
23 budgets, it's 169,000 for this current fiscal year, plus  
24 one-third of the benefits for the employees.

25 MAYOR OF ROCKHILL: So I wasn't too far off,

1 was I.

2 MR. HINKLE: It comes out a little over  
3 200,000, about 210, 215,000.

4 MEMBER MOODY: When do you anticipate  
5 getting built?

6 MR. HUNTER: If we get the rate increase  
7 tomorrow -- or today, we're going out to bid tomorrow.

8 MEMBER MOODY: Out to bid tomorrow.

9 MR. HUNTER: Tomorrow.

10 MEMBER MOODY: You're really serious then,  
11 aren't you?

12 MR. HUNTER: We've been ready for this for  
13 quite a while.

14 CHAIR PORTER: Other questions?

15 MEMBER BEEHAN: I want to just comment, you  
16 guys did do an excellent job in the event last year.

17 MEMBER MOODY: Mr. Chairman, I'm going to  
18 move that this should be approved.

19

20 CHAIR PORTER: Do I have a second?

21 MEMBER BEEHAN: Second.

22 CHAIR PORTER: I have a motion and a second  
23 that we approve the Cumberland County ECD rate increase  
24 extension. I guess we need to set a date, Anthony, we want to  
25 sunset that.

1 MR. HAYNES: The staff recommends we do --

2 CHAIR PORTER: 2007?

3 MR. HAYNES: All these rate increases coming  
4 to you, the TACIR study -- a number of districts have been  
5 willing -- I can probably include the one we have to pledge to  
6 their counsel here to have that. If it's going to change the  
7 funding in this case, I happened to take -- don't set anything  
8 in concrete, if there's a better way of funding 911, let's all  
9 get over and do it, there's no sense in locking anything in.  
10 So let's make it temporary.

11 MEMBER MOODY: My motion would be until  
12 July -- or June 30th of '207 with the idea being if the TACIR  
13 study or any legislation provides for a change in funding or  
14 something they come back at that time.

15 CHAIR PORTER: Is that okay with the second?

16 MEMBER BEEHAN: Yes.

17 MR. HAYNES: Chairman, point of order. When  
18 our projections were on -- I saw your budget, the one that you  
19 read. Our cash flow projections -- I think after your  
20 construction cost coming out, over a million dollars -- is that  
21 right?

22 MR. HUNTER: On my budget that I showed up  
23 there?

24 MR. HAYNES: Yes.

25 MR. HUNTER: That was -- that's without the

1 rate.

2 MR. HAYNES: Without that, okay. But now,  
3 does our cash projections account for their construction costs?

4 MR. JOHNSON: Yes, in 2005.

5 MEMBER BILBREY: But you don't have the cost  
6 of the building in there.

7 MR. JOHNSON: That's \$100,000.

8 CHAIR PORTER: What were you saying,  
9 800,000?

10 MR. HAYNES: The reason I raised a point of  
11 order on that, the staff has no problem with what you're trying  
12 to do. I just want to make sure you didn't get out of  
13 compliance with TCA that says you shall provide enough for the  
14 service -- provide the service and at that point look at a rate  
15 decrease. So I just didn't want this board to be doing  
16 something contrary to what's been on the books for more than 20  
17 years and TCA, as the districts have to deal with prior to  
18 early in '98 when the wireless board was created. So that's  
19 the only reason I bring that point of order, sir.

20 MR. HUNTER: And our board concurs with  
21 that. If we ever get to the point where our revenues are such  
22 that we feel we could drop the rates, we would.

23 MEMBER BILBREY: Now, do you have projection  
24 showing, then, the building costs versus what he has right  
25 here? He's got a million dollars going in 2008. What would

1 you have showing?

2 MEMBER PURKEY: There's something in there  
3 that shows 600,000.

4 MEMBER BILBREY: I thought that million  
5 dollars --

6 MEMBER PURKEY: I remember reading things,  
7 but I could never find it. And I looked at that. Yeah, page  
8 5.

9 MEMBER BILBREY: 193,000.

10 At what point are you going to do that?

11 MR. HUNTER: I'm sorry, sir?

12 MEMBER BILBREY: At what point -- or are you  
13 going to do that over the next couple of years?

14 MR. HUNTER: The building project?

15 MEMBER BILBREY: Yes.

16 MR. HUNTER: Hopefully this year.

17 MEMBER BILBREY: This year.

18 MR. BOLIN: The steel prices, this price was  
19 put out right before the steel prices went up. So we'll be a  
20 few percent higher than this cost here.

21 MEMBER BILBREY: Okay. If it's 2005, then,  
22 the 593,000, then your total cash is going to be negative;  
23 right? If your building is 593,000, right now with your  
24 relocation and equipment, that's showing down there as 50,000.

25 MR. HUNTER: We're actually looking at

1 financing it -- like I said, the City would carry the note of  
2 the actual construction of the building itself. And we will be  
3 paying them back at a rate of four percent interest over 15  
4 years.

5 MEMBER BILBREY: Over 15 years.

6 MR. HUNTER: Which we are anticipating would  
7 run about 50,000 -- I believe 50,000 a year.

8 MEMBER BILBREY: Then you're still going to  
9 be sort of cash heavy there, are you not?

10 MR. HUNTER: But see, what we're going to  
11 try and do, we're going to try and defray as much of the cost  
12 for the building right now out of our immediate funds. We have  
13 500,000 right now in cash available. The board has said that  
14 they would like to, like I said, defray most of this cost up  
15 front so we don't have the financing issue. But they will not  
16 go below 200,000, period. You know, that's bottom line,  
17 anything above 200,000 we would have to put out --

18 CHAIR PORTER: Charles, can I bring up  
19 something. I think since we sunset them to June 30th, 2007,  
20 that gives them time to do their building project. We're going  
21 way out to 2009, and that's really not going to be a issue  
22 here. They'll come back before us again before it gets to that  
23 point. If we see they're heavy, then we could decrease their  
24 rate or see what's going on then.

25 MEMBER BILBREY: Yeah, we can do that. We

1 can actually see what, you know, a different --

2 MR. HAYNES: Firm cost.

3 MEMBER BILBREY: -- schedule here.

4 MR. HAYNES: Firm cost.

5 CHAIR PORTER: They'll know what it's going  
6 to have cost them by then, and they'll have that already behind  
7 them.

8 MEMBER BILBREY: Yeah.

9 CHAIR PORTER: If that's agreeable?

10 MEMBER BILBREY: That would be when?

11 CHAIR PORTER: June 30, 2007, that's when we  
12 were going to set the sunset.

13 MR. HUNTER: We'll be sending annual budgets  
14 to the board, so if we ever do look like we're out of line,  
15 just let us know and we'll see what we can do.

16 MEMBER MOODY: Have you already sought bids  
17 on this building?

18 MR. HUNTER: No. All of these figures that  
19 we're giving you right now are from us. We have retained an  
20 architect.

21 MR. BOLIN: Our bid documents are ready to  
22 go out. We just chose to wait until after this day because  
23 this determines whether or not we could.

24 CHAIR PORTER: Don, do you have something?

25 MR. JOHNSON: Randy, if I'm not mistaken

1 just -- you're talking about 50,000; right? Yeah, if I'm not  
2 mistaken. It is built in to this five-year plan. And it would  
3 also be into mine. Look on page 20 on line item 4223, building  
4 and facility.

5 CHAIR PORTER: We're on page 24, is it built  
6 into that?

7 MR. JOHNSON: Yeah, it's built into that  
8 too. It's more or less built into the -- the income part.

9 CHAIR PORTER: Here again, we're just  
10 looking out to June 30th of 2007. Is everybody comfortable  
11 with that?

12 MEMBER BILBREY: Well, if he's going to pay  
13 for over 15 years it's going to be pretty -- pretty -- still  
14 thick.

15 MEMBER MOODY: You're going to average it  
16 out over 15 years with the idea being you can pay out earlier  
17 without penalty?

18 MR. HUNTER: Right.

19 MR. BOLIN: It will be available for 15  
20 years.

21 CHAIR PORTER: Any other questions?

22 About ready to vote?

23 All in favor say "aye."

24 THE BOARD: Aye.

25 CHAIR PORTER: All the opposed like sign.

1 Motion carries. June 30th, 2007.

2 You did great job on your presentation, too.  
3 Bill's a great director. And we work great with your county.  
4 We appreciate you-all coming by.

5 MR. HUNTER: We thank you all very much.

6 CHAIR PORTER: Hey, Bill, we appreciate you  
7 helping Bledsoe too, because that's going to make a big  
8 difference to them. You're being a good neighborhood. Thank  
9 you very much.

10 Board members, the only other thing we have  
11 on the agenda is to set a meeting date, the staff has requested  
12 for us to meet July the 16th to be able to here Bledsoe and  
13 Blount County and anything else that possibly comes up. July  
14 16th at 9:00; is that okay with everybody?

15 MEMBER MOODY: That's a Friday.

16 CHAIR PORTER: That's a Friday. Okay.  
17 July 16th at 9:00.

18 Ia there any other business that anybody  
19 has?

20 MEMBER RICH: I don't think it will take a  
21 motion but I think the little trip we had was so successful --  
22 I'm pretty sure we don't need to make a motion on this, but I  
23 would like for us continue that in the future with the board  
24 members. Pick three or four counties, we don't want to -- I  
25 think we did it a little bit too rushed or maybe if there was

1 more of us, I don't know. Maybe it could be an overnight trip  
2 or whatever, but maybe the staff can do that or whatever you  
3 want.

4 CHAIR PORTER: We'll have a summer's rest  
5 and then maybe we can look at that.

6 MR. HAYNES: We'll be doing our -- we'll  
7 start planning our public hearings --

8 MEMBER RICH: Yeah, going out and doing  
9 those for the data will be good. That would be good, too.

10 MR. HAYNES: One thing, Freddie, that I  
11 talked about, which might not be a requirement given this is a  
12 voluntary board, for all members to show up on these visits to  
13 the districts, however I do think that it be imperative that  
14 all board members make every effort to attend these public  
15 hearings to receive testimony from the public and various  
16 interests on what should be policy recommendations and  
17 legislature and information, a record TACIR can work from.

18 MEMBER LOWERY: Do we need to authorize  
19 staff to -- to expend any funds or do anything for them four  
20 counties to move on? I don't think anything is going to happen  
21 if we don't stay on top of it.

22 I know TENA yesterday passed a -- it's  
23 fourth resolution for us to do all we could, if we could do  
24 anything. But I kind of think some of them are going to be  
25 right there this time next year if something ain't done. I'm

1 not saying that I've got any wild idea, you know, a way to  
2 solve that. But if we have to get involved with a consultant  
3 or somebody to hold some of these people's hands, there's  
4 nothing going to happen. These guys are taking the lead on one  
5 of them, I think we're all right there.

6 MR. HAYNES: But they're just doing from  
7 a financial standpoint. The critical issue was -- the critical  
8 issue was addressing and building the MSAG.

9 MEMBER MOODY: Would it be -- I wasn't able  
10 to attend because of other commitments at home. But would it  
11 be feasible that, Anthony, you and other staff members who  
12 participated in that to look at each one of them. I'm sure  
13 they're all at varying degrees of implementation and probably  
14 all have different needs. But maybe if you come back to the  
15 next board meeting in July and taking each county and trying to  
16 go back and look at what stage of development they're in and  
17 make some recommendation on what the next steps ought to be and  
18 try to project how this board could be of help to them.

19 MR. HAYNES: I think they know that from our  
20 visit last time. We got pretty good reports that -- where one  
21 county is building they're MSAG data base, where another might  
22 be. And Bledsoe County, I mean --

23 MEMBER MOODY: What I was meaning, though,  
24 if you come back with something in writing and some  
25 recommendations.

1                   MR. HAYNES: Ms. Wanda, with all due  
2 respect, I almost hate to lose the interim six weeks.

3                   MEMBER MOODY: Well, okay.

4                   MR. HAYNES: And I'm sorry, I'm sorry, I  
5 don't have real good recommendations. I've struggled with  
6 this. I've almost thought that maybe what we need to do is  
7 agree or try to enter into an agreement with the four  
8 districts, a reimbursement agreement that we would reimburse  
9 some additional addressing costs if the addressing was done on  
10 a time line as well in a fashion that would meet our  
11 satisfaction.

12                   Because it looks like, and board members,  
13 Ike and Freddie, correct me if I'm wrong, and Randy, but it  
14 seems like to me that their big issue was, was there's not  
15 enough staff time in the field running up and down the roads  
16 and doing the addressing and making sure it's done right. And  
17 what has been done previously by a contracted company was  
18 either inaccurate or has enough errors in it that it takes  
19 going back and checking telephone company records versus 911  
20 MSAG records. And I know in one county, I think was  
21 Van Buren, although they're the closest to being complete,  
22 their guy is only spending about ten hours tops a week.

23                   I mean, I've even -- I suggested this at the  
24 TENA meeting yesterday, and I told my chairman, I said, I'm  
25 even willing to get in the car during the week and maybe

1 Saturdays and spend some volunteer time with a clipboard and  
2 run up and down the road with somebody that knows what the hell  
3 they're doing and help them, help them that way. But from what  
4 I understand about this MSAG business, is that it really --  
5 it's got to be done day after day during the work day. You  
6 can't hit it for a few days and leave it and come back two or  
7 three weeks later and try to do it again.

8                   So the only thing I know to do from the  
9 staff recommendation, is you-all authorize us to possibly seek  
10 an opportunity for an agreement to get some additional cost  
11 reimbursed. And I'll just limit that to the districts, maybe  
12 even the phone companies, maybe they've got some tricks up  
13 their sleeves that they can give the help. Because we are  
14 talking about cooperatives. We're not talking some big  
15 industrial utility like BellSouth or Sprint.

16                   But I guess if I had to offer something to  
17 you, it would authorize staff to seek, explore those agreements  
18 and make them happen.

19                   MEMBER LOWERY: We've got to get somebody in  
20 there that knows what they're doing to lead them. Because  
21 they're trying to let the blind lead the blind right now from  
22 what I saw. They've got too many people telling them, you  
23 can't, you can't, you can't. And they don't want to have  
24 anything to do with it.

25                   MEMBER RICH: Throwing money in to

1 everything. They're buying everything that everybody tells  
2 them to buy.

3 MR. HAYNES: Somehow or another we've got to  
4 get some people that know. But I don't think they're there. I  
5 think that they've got to be brought in from somewhere.

6 MEMBER LOWERY: That's what I was getting  
7 out. If we would could bring in a known, and I'm talking about  
8 somebody that we agree to or we know or staff could bring them  
9 in, like a consultant.

10 MR. HAYNES: But if we do that we have to go  
11 through a RFP process.

12 MEMBER LOWERY: Oh, okay.

13 MR. HAYNES: And that's another six to eight  
14 God awful how many weeks. And a lot of people probably are  
15 thinking, and I want to go ahead and clear the record, well,  
16 you just want to hurry up and get this thing done so Tennessee  
17 is not the third, not fourth, fifth, sixth in the nation.  
18 That's not the case.

19 My fear is, and I've seen this in the two  
20 years I've been in this job, you let one personality change on  
21 a board or a director and you're shutdown until somebody else  
22 decides to pick up the ball and run with it and that could be  
23 months. It keeps going on and on and on.

24 And I'm convinced that this board is charged  
25 by law to ensure that all citizens of the state have E-911, and

1 we just need to roll up our sleeves, make some tough decisions  
2 and make that happen. We made it happen where we're arguably  
3 number one in the nation on wireless 911. I don't know why we  
4 can't roll up our sleeves and make it happen in the four  
5 counties who are probably this close to being finished. We  
6 just can't seem to get a round turn for it to finish them.

7 MR. MAHN: Mr. Chairman, may I? Mike Mahn,  
8 and I represent all four counties.

9 CHAIR PORTER: Do we have a tape running?

10 MS. REVIS: No, the tape has run out. It  
11 ran out.

12 MR. HAYNES: Well, the good news is we have  
13 a transcript. Go ahead, Mike.

14 MR. MAHN: The director -- the executive  
15 director's suggestion is, I think, the best one I've heard in  
16 the whole time I've been working with the four counties. We  
17 have tried to cooperate amongst ourselves. We did on the  
18 address project. Different counties took different levels of  
19 interest of getting their own people on board. And really only  
20 one had got them on early, as I had recommended, and that was  
21 in Sequatchie County.

22 The others have come in, and as Ike said  
23 very candidly, and they've had to learn a little bit. The  
24 other thing, unlike the great big comfortable arms of  
25 BellSouth, and I mean that in a very positive way --

1                   MR. HAYNES:  If you were in my seat you  
2 wouldn't say that.

3                   MR. MAHN:  Really, those of you who have  
4 BellSouth county stuff, the addressing project, you don't  
5 really do very much.  You go out and gather some numbers and  
6 they take it from there.  You have to get through the -- you  
7 know, the post office.

8                   But, Mr. Chairman, we tried to suggest  
9 corporate regional coordination on addressing, it sort of  
10 breaks down on who's going to pay for what, we want our way on  
11 this one, you know, just those kind of issues.  So each one is  
12 going their own way at different speeds and different levels of  
13 consistency.

14                   There is good foundation.  They're very  
15 close.  The telephone companies, that's a great suggestion for  
16 these cooperatives, they don't have a lot of experience, and  
17 I'll tell you that, in implementing it.  Bledsoe's never really  
18 taken inside data, as you know, and made it work and push  
19 through a controller.  Rex has -- all four retained Rex to do  
20 special technical assistance as far as getting the equipment  
21 configured.  Operationally they're getting close.  This is the  
22 last critical piece.

23                   And I strongly recommend, and I feel I can  
24 speak with confidence that all four of them would be very  
25 receptive to providing whatever level of authorization is

1 necessary for the board to take and direct getting this last  
2 piece involved so they can turn those systems on. Because  
3 they're going to be close to be able to do that within,  
4 hopefully, in a couple more weeks. Ready to turn on before you  
5 next meeting. And then two others within a short time  
6 thereafter.

7                   MEMBER PURKEY: Randy, would a little  
8 thing -- just a little thing such as requiring them to report  
9 every time we meet in person, would that move them? I mean, if  
10 they felt like they had to come down here every month or two?

11                   CHAIR PORTER: It's almost like each one of  
12 them -- well, you know, David, each one has got different  
13 problems. This one is post office. This one, they don't have  
14 a person that's spending enough time doing the, you know, the  
15 addressing. Every one of them has got something different. I  
16 don't know.

17                   MR. HAYNES: Mr. Chairman, let me address  
18 two things. I spent a better part of the day talking with AMS  
19 people here in Nashville, Republican conservatives, tracking  
20 down and talking to the CPOs of the telephone cooperatives, and  
21 from what the telephone co-ops tell me, they're processing as  
22 fast as they get things. And one of them hadn't received  
23 anything since last November. I think staffing on the  
24 telephone company side of the ledger is not the problem. The  
25 problem is the PSAP side, the district side, getting

1 information to the telephone company to double check and  
2 process.

3                   And one of the questions that I had, it  
4 seems -- it appears to me that the contact that they had -- and  
5 I don't know if it was with MSAG or who, but every one of them  
6 complains about the product they got. Did the company -- I  
7 guess in asking you as their attorney, did the company deliver  
8 the product that they should have on that contract and it just  
9 didn't meet the -- the districts didn't get what they thought  
10 they were buying, or should Mike Mahn be chasing after MSAG?

11                   MR. MAHN: Well, Mr. Chairman, there's been  
12 a lot of finger pointing and -- in all parts of the -- when you  
13 chase it down, as you probably discovered, we hear it's this  
14 post office. And the post office says, well, no, it's the  
15 teleco. Some say, well, we MSAG information but the -- MSAG's  
16 work product, which I encourage, like I said, each board to  
17 field test and verify what you're actually getting and compare  
18 it with map information, they deliver -- and the board's and  
19 all accepted the product to a varying degree. Some of them,  
20 like Sequatchie, like I said, got in early, and MSAG has done  
21 update work at no additional cost when they have noticed  
22 overlooked locations.

23                   What part of the problem is that because,  
24 you know, a couple of the districts were late in getting people  
25 assigned with addressing responsibility a lot of new movements

1 and changes have come in that were long after MSAG had done,  
2 you know, their data sweeps, gathering, information sweeps. So  
3 what they got -- they got a good GIS foundation. I think Rex  
4 has seen that in each of the -- each of the four counties.

5                   They're close. They're close to having a  
6 pretty good product. But if we could have one central  
7 authority that drives addressing and works with each of the  
8 four, as well as the teleco, you could -- you may be able to  
9 bring them forward fairly quickly. That is a missing piece.  
10 And I would strongly support the board's --

11                   MR. HAYNES: So in your opinion MSAG  
12 fulfilled their contact?

13                   MR. MAHN: On a strict legal sense, yeah.  
14 But I'm not going to excuse them yet for total performance. I  
15 do know that when we have noticed anytime -- and we compiled  
16 some of them and they got lost, but what they missed, if a road  
17 was missed, if it preexisted, you know, it's not just something  
18 that they -- instead of a charge for each update, there's no  
19 charges. And they're still maintaining that file.

20                   The only one misleading towards a -- MSAG's  
21 in a maintenance mode with -- with four, one of them is getting  
22 ready to -- is buying an auto CAD so they can do their own and  
23 maintain it without even that support.

24                   But MSAG has been generally cooperative you  
25 know, given the nature of this beast. As all of us know, that

1 have been involved in addressing projects, they're all messy at  
2 best. You know. This one is actually is one of the better  
3 ones that I've seen. A lot of them have been a lot worse.

4                   But we've not -- we've not yielded them.  
5 We've got our statute of limitation on contracts, so if we need  
6 to go against them we could. But We've also accepted most  
7 everything they've done.

8                   MR. HAYNES: I've got a recommendation,  
9 Mr. Chairman. And I'm going to do something you're not  
10 supposed to with staff, that's walk out on a political limb,  
11 but what I propose, that if the board will authorize me to take  
12 whatever actions necessary to complete the job, I'll handle it.  
13 But I need the authority. I need very few restrictions. But  
14 what I will do, anything that involves a contract, I'll use the  
15 board's policy, work with the comptroller's designee, the  
16 general counsel to do that. In terms -- before anything is  
17 agreed to be paid for, price or whatever, reimburse, I'll check  
18 that out with the chairman because he knows about addressing  
19 and what it should cost. And I'll make sure all the I's are  
20 dotted, all the T's are crossed, it's legal, and even -- and  
21 even if it crosses a little bit higher, we'll make sure it's  
22 ethical and legal.

23                   But if you'll just authorize me to take  
24 whatever appropriate action is necessary, and trust me, I'll  
25 use your best trust and judgment, but I'll do my damndest to

1 get this job done.

2 MEMBER RICH: If the attorney can hold your  
3 hand and make sure everything is legal --

4 MEMBER VICKERS: And I'll second.

5 CHAIR PORTER: We have a motion and a  
6 second. Discussion?

7 MR. HAYNES: And if it doesn't work I'll go  
8 back to farming.

9 MEMBER RICH: Farming --

10 MEMBER PURKEY: In those counties.

11 CHAIR PORTER: I want to make one statement  
12 for the record. I'm for all this. And I think that we're  
13 going to get these four counties on. I just hate to see folks  
14 that are bogged up on what they should have done years ago and  
15 all of a sudden they're getting a lot of money and things that  
16 the other districts didn't get when they did this on their own.  
17 I don't really have a -- I don't want us to get too far out  
18 here, but that's my thoughts. I just want to make sure I state  
19 this on the record. I just don't want us to get in trouble  
20 with our other 911 districts.

21 MR. LOWERY: As staff has mentioned already,  
22 we don't want to spend too much money there.

23 CHAIR PORTER: I'm all for what Anthony is  
24 doing, I know he wants to -- wants to try to get them on line.  
25 And I'll spend as much time as I can to help him. But that's

1 just my statement.

2 Any other discussion?

3 MEMBER MOODY: You don't intend to go over  
4 there and do the job for them, I assume you're going to kind of  
5 service, facilitate, or getting them off of dead center and  
6 doing what needs to be done?

7 MR. HAYNES: Well, I think that's the first  
8 shot that you need to do, to get the buying in the locals so  
9 they feel like they're invested in it, if nothing else. But on  
10 the other hand too, I'm not opposed to jumping in the truck and  
11 riding around all day either, with a clipboard. I'm just --  
12 I'm ready to get this thing over with.

13 MEMBER MOODY: Really, I agree. I don't  
14 think, you know -- I think we need to do what we can do, but I  
15 think we need to tell them and instill in them a sense of  
16 urgency because this is their project and they have ownership  
17 in it and we here as a board want to help them but not to do it  
18 for them.

19 MEMBER PURKEY: We've got to account for the  
20 money that we spend.

21 MEMBER MOODY: Right.

22 MEMBER PURKEY: I mean, we've got a duty to  
23 be accountable. I was surprise at the site visits when I  
24 realized how much money we have put into those areas, the  
25 board. And, you know, we've got to be accountable for that

1 too.

2 MR. HAYNES: I'll be glad to give the board  
3 weekly reports on this -- this issue, to all board members and  
4 consult daily or if it's even asked to be appropriate once a  
5 day, with the appropriate parties, general counsel,  
6 comptroller's designee and/or chairman, but I'll do it in a way  
7 that is compliant with the Sunshine Act. Lynn will hold my  
8 hand on that.

9 CHAIR PORTER: Other discussion?

10 All in favor say "aye."

11 THE BOARD: Aye.

12 CHAIR PORTER: All oppose like sign.

13 Motion carries.

14 Any other business issues?

15 MEMBER RICH: I move we adjourn.

16 CHAIR PORTER: Wait just a second, I'd like  
17 to say something.

18 There's a possibility this may be my last  
19 board meeting, I don't know yet.

20 MEMBER PURKEY: You still not heard  
21 anything?

22 CHAIR PORTER: I haven't heard anything yet.

23 My term expires June 30th. TENA has voted  
24 and submitted just my name to ask to be reappointed. And I  
25 don't know what the Governor's going to do yet.

1 I do want to say in case this is my last  
2 board meeting, I have thoroughly enjoyed working with you. And  
3 I think this is one -- I served on other boards before this and  
4 this board has made more progress in the last six years than a  
5 lot of other boards have in 20 years.

6 And think you got a great staff. You've got  
7 a great director. I was just lucky enough to be involved in  
8 choosing and finding him up in Washington. And I think we've  
9 made some great progress especially in the last two years.

10 And in case I'm not back, I just want to say  
11 I appreciate serving with you-all. Hopefully I will be. We  
12 may know something before the next board meeting or I'll  
13 continue to serve until I'm either reappointed or somebody is  
14 sworn into my position. So I may be back in July or I may not.

15 But I want to say to you-all, I think the  
16 world of each and every one of you-all and I'd doing anything  
17 to help you-all at any time, and I've enjoyed serving with you-  
18 all.

19 Now let's hear that motion.

20 MEMBER RICH: I motion we adjourn.

21 CHAIR PORTER: Do I have a second?

22 MEMBER BEEHAN: Second.

23 CHAIR PORTER: All in favor say "aye."

24 THE BOARD: Aye.

25 CHAIR PORTER: We're adjourned.

1 (End of proceedings.)  
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REPORTER'S CERTIFICATE

STATE OF TENNESSEE )  
COUNTY OF SUMNER )

I, Denise Harwood-Stacy, court reporter and notary public in and for the State of Tennessee at Large, DO HEREBY CERTIFY that the foregoing transcript of the proceedings were taken on the date and place set forth in the caption thereof; that the proceedings were stenographically reported by me in shorthand; and the foregoing proceedings constitute a true and correct transcript of said proceedings to the best of my ability.

I FURTHER CERTIFY that I am not related to any of the parties named herein, nor their counsel, and have no interest, financial or otherwise, in the outcome or events of this action.

IN WITNESS WHEREOF, I have hereunto affixed my official signature and seal of office this the 27th day of June, 2004.

Denise Harwood-Stacy, Notary Public  
State of Tennessee at Large

25 My Commission Expires: March 3rd, 2007.