

**Metro Emergency Operations Center
Finance Committee
June 27, 2017
Minutes**

Present: Grant Gunnoe
Keith Vititoe, for the Honorable Kent Carper
Lieutenant Randy Sampson, for Mayor Danny Jones
Captain Jeff Meadows, for Sheriff Rutherford

Staff: John Rutherford
Russell Emrick
Rick McElhaney
Lindsay White
Erin Shepherd
Paul Dryden
Jim Mangus
Joanna Edwards
Derek Johnson

Guests: Jennifer Herral, Executive Board President
Kara Hughes, Board of Treasury Investments (BTI)
Carrie Hill

Mr. Gunnoe called the meeting to order at 11:04 a.m., roll call was noted.

Motion was made to approve the minutes from June 22, 2017.

Motion: Vititoe

Second: Sampson

The motion carried unanimously.

Finance Update

FY17 F/S YTD – Lindsay White stated that with the new set up of the Finance and Executive Boards meeting separately, the Committee would discuss finance-related items then make recommendations to the Executive Board and Board of Directors. White directed the board members to the financial statements as of May. White stated that Metro had cash in the bank totaling \$4 million and, at the request of Dr. Foster, the Committee would be hearing later on in the meeting from Kara Hughes of BTI, where Metro had much of its money invested. White stated that significant additions to Property and Equipment year-to-date include about \$150,000 and include vehicles and some IT-related procurement, including an upgrade to the card reader system. White stated Metro was still under budget by around \$200,000. Significant non-routine accounts payable total \$26,000 to Frontier, which is being held until some issues with Frontier are resolved. White stated that Metro's landline revenues, as of the end of May, were better than budget by 0.6%, landlines were up from last fiscal year by 9.1%, and wireless was better than

budget 2.2%, down from last fiscal year by about half a percent. White stated that wages and benefits were better than budget by 8%, up last year from 3.7%. Operating expenses in total were better than budget by 10.8%, up last fiscal year by 3%.

White reminded the board that Metro was awarded the Homeland Security Grant, totaling \$130,000, for funding of phase one of the radio project. White also stated that the CAD loan only had one payment remaining and would be paid off as of July 26. White stated that Metro's phone system currently had \$93,000 in outstanding principal, and also that Metro's bonds were at \$1.4 million. White concluded that two out of three of those items would be paid off in the next six months.

Motion was made to accept the FY17 YTD financial report.

Motion: Sampson
Second: Vititoe

The motion carried unanimously.

Open Purchase Order Amendments – White stated that there was only one open purchase order amendment, which was for KCEAA for Metro vehicle maintenance and repairs and was also a budget amendment. White requested a budget amendment in the amount of \$400 and an open purchase order amendment in the amount of \$600.

Motion was made to approve open purchase order and budget amendments for KCEAA.

Motion: Sampson
Second: Vititoe

The motion carried unanimously.

BTI Representative Presentation

Kara Hughes from Board of Treasury Investments gave a presentation on her agency and Metro's investments with them. Hughes stated that BTI invests in the short-term funds of the state, so both state agencies and local governments can invest with them. Hughes stated that BTI is governed by a five-member board, including the State Treasurer, who is the chairman. Hughes stated that BTI's total pool is about \$3 billion, \$135 million of which is from local governments, similar to Metro, and also largely made up of investments from boards of education. Hughes stated that the market that Metro is in is the West Virginia Money Market Pool, which is where the majority of participants invest. The pool is AAA rated by S&P, signifying that the principal is very stable; for example, if you invest \$500,000, you're going to get your \$500,000 back plus interest. Hughes stated that BTI reports on a weekly basis to Standard & Poor's (S&P), to ensure that the funds are top-rated and to review participant activity. Hughes stated that safety is the most important principle to BTI's board and there are very restrictive policies, like that a minimum amount of the pool has to be in treasuries that are backed by the US government. In regards to liquidity, Hughes stated that if an agency needs their funds on any business day, the funds are accessible via ACH, or if it's needed that day, BTI can wire the funds to the agency, none of which requires a transaction fee and there are also no account maintenance fees. Hughes stated that BTI offers a competitive return; in May,

she had a meeting with several of the sheriffs and at that time the largest banks in West Virginia were paying .1%, while BTI was paying 0.96%. Hughes stated that we are currently in a rising rate environment.

Hughes presented the other investment option, which very few local governments chose to invest in, the short-term bond pool. Hughes stated that the difference between the two was that the short-term bond pool has a fluctuating asset value, meaning an agency can put \$500,000 in, but the value will fluctuate above and below the \$500,000. Hughes stated the main reason local governments don't choose this option is because they don't want to risk taxpayer dollars. Hughes stated that BTI is not invested in the stock market and solely fixed income, so investors get a fixed amount of interest periodically and, at maturity, get their principal back. Hughes stated that BTI was very pleased that rates were rising, and that even through the financial crisis, participants did not lose money. Hughes informed the board there is also a reserve pool that backs up the Money Market Pool, in case there was any downgrade or fluctuation, and that Metro can feel very secure investing with them. Hughes recommended Metro stay in the pool. Lindsay White stated she ran a history, and the spread was 0.8-0.9% between Metro's Chase savings and BTI consistently over the last year. Hughes stated that a lot of local governments have a checking account just to write checks, then use their BTI account as a savings account, capturing the higher interest, then possibly moving funds over when necessary. Grant Gunnoe asked if there were any questions. There were not.

Approval of Open Purchase Orders for FY18

Lindsay White and Joanna Edwards dispersed a comprehensive list of open purchase orders for FY18, which White explained was created by meeting with management and compiling recurring purchases and foreseeable purchases in the upcoming fiscal year. By getting the list approved by the Board at the beginning of the year, special meetings don't have to be called every time it's necessary to make a purchase over \$10,000. Edwards explained the layout of the listing, which included the listings from the previous year, additions and deletions, and a column comparing FY17 to the proposed FY18. Edwards pointed out that the cost for American Messaging had gone down by about half since the last fiscal year because most administrative employees now have cell phones and thus, less pages are being sent. Edwards also stated that Metro had changed a few vendors from FY17 to FY18. Edwards asked if there were questions; there were not. There was a brief discussion about the dispatch scheduling software, Schedule Express, and that it is seemingly serving its intended purpose.

Motion was made to approve (recommend to Executive Board the approval of) the Open Purchase Order Listing for FY18.

Motion: Vittoe

Second: Sampson

The motion carried unanimously.

Update on Workers' Compensation Insurance for FY18

Lindsay White stated that the quote from BrickStreet Insurance for workers' compensation insurance for FY18 had come in at under \$10,000, so there was no action necessary by the Board. White explained that when the agendas were posted, there was the possibility that action would be needed, but it turned out that it was not. There was a brief discussion about BrickStreet also insuring other county entities.

Approval of County Vehicle

John Rutherford explained that Metro was not ready to purchase the vehicle yet, and the purchase was already in the budget, but Metro just wanted to ask the Board's approval for purchasing the vehicle when the time came instead of calling a special meeting. Grant Gunnoe asked how much was in the budget for the vehicle. Lindsay White replied \$27,500, which Rutherford said should be more than enough.

Motion was made to approve (recommend to Executive Board the approval of) the purchase of a county vehicle in the amount of \$27,500.

Motion: Sampson
Second: Vititoe

The motion carried unanimously.

Upcoming Procurement

IT Procurement – Russell Emrick stated that IT had two procurement items to discuss, the first being the approval of the TextTTY quote for \$14,388.72, which was lower than the previous year. Jim Mangus, the Communications Coordinator, confirmed that he was pleased with the TextTTY service, and Emrick agreed on behalf of the IT Department. Emrick stated that Text-to-911 had been very successful at Metro and was now starting to spread across the state.

Motion was made to approve (recommend to Executive Board the approval of) the \$14,388.72 quote for TextTTY.

Motion: Vititoe
Second: Sampson

The motion carried unanimously.

Emrick stated that Metro wasn't going to receive a bid for the next item under IT procurement until the end of July or early August, and requested for approval that was pleasing the Board. Emrick stated that the hardware that runs the ECAD development, the system on which Metro would be going live in September, along with the Sheriff's Office, Fire Departments, and Kanawha County Ambulance, is still the original hardware that just Metro's system is on. Emrick explained that Metro would be going out to bid with the Sheriff's Office, wherein each agency would be picking up half of the total for the new hardware. Emrick stated there could be a special meeting called upon receiving the bids if that is what the Board wanted, but the alternatives would be to either give approval to Metro to choose the lowest responsible bidder, or approval for the estimated maximum cost of the project, which was \$30,000 for Metro's half. Grant Gunnoe asked if this project was in the budget. It was. Gunnoe suggested approving the project as long as it remained

within the \$30,000 budget and only calling a special meeting if it would exceed the estimate.

Motion was made to approve (recommend to Executive Board the approval of) IT's purchase of ECAD hardware, given that the purchase stays at or under the \$30,000 budget.

Motion: Sampson
Second: Vittoe

The motion carried unanimously.

Radio Procurement – Jim Mangus stated he was working on the bid, and it was nearing completion to be reviewed by the Radio Group. Mangus stated that after it was reviewed for content by the Radio Group, it would go to administration for typos, etc., and then be released. Grant Gunnoe asked if there were any motions required. There were not.

Dispatch Reorganization and Employee Cost of Living Increase

John Rutherford stated that he and Rick McElhaney would be discussing this item. Rutherford explained that the County Commission was giving 2.5% raises to all its employees, and it was Metro's intent to do the same, but also to recommend a re-classification. Rutherford stated that Metro had changed a lot in the last few years; a few years ago the shifts' ring times were approximately 65%, but because of good supervision, like Captain Derek Johnson's, the ring times were now in the 90%. Rutherford clarified this meant that the 911 phone lines were being answered within three rings over 90% of the time, which is very fast. Rutherford stated there used to be several complaints per week about dispatchers, and now there's maybe a complaint every three months, due to good supervision and extended training. Rutherford stated that a lot of money had been saved over the past years, and Metro would like to take that money, as well as some new income, and use it to re-classify its employees. Rutherford explained that the challenge with Metro employees between one and five years was that after spending 8 weeks of classroom training, then eight months of training them in the center, good employees were being lost to Home Depot, Frontier, etc. and administration thinks that re-classification will help that. Rutherford directed the board members to a document that showed estimated savings, particularly in putting contracts out to bid and capping the number of dispatchers allowed on shift at once, and explained that this re-classification was something that he and McElhaney had had their eye on for a couple years and saved money wherever they could. Rutherford pointed out that the payroll savings of approximately \$29,592 would offset a portion of the cost of pay increases; these savings would be a result of reducing supervisor overtime and eliminating supervisor override pay. Management hopes that with a pay increase and slight overtime decrease, Metro's hardworking employees can spend more time outside of the Metro stressful environment and further enjoy working at Metro. Rutherford stated that between eight weeks of classroom training and eight months in the center with a trainer, paying that trainer overtime to come in and sit with them, among other things, it costs approximately \$56,425 (Metro estimates that by retaining one employee who would have otherwise left because

of the current salary, it will save \$85,473) in a year when Metro has to hire a new employee, so if Metro saves one employee each year for the next three years, the entire re-organization will pay for itself. Rutherford stated that by implementing a maximum and minimum per shift, the staffing is better managed than it had been previously, saving over \$187,000 annually and detailed the savings of two administrative staffing changes in the recent past. Rutherford stated the recommendation was a step up greater than the 2.5% for the employees who were between one and five years to try and keep them at Metro longer, and also to reward captains and lieutenants, who are doing so much more work. Rutherford stated it would cost \$150,889 a year in salaries alone for the increases and a total of \$205,300 after overtime and savings were factored in. Rutherford reiterated that saving one employee each year for the next three years, would more than pay for the cost. Grant Gunnoe inquired more about the cost; Rutherford stated it would cost approximately \$68,000 per year above the 2.5% for the re-classification. Rutherford informed the board that Metro was receiving some unexpected income this year due to the Public Service Commission increasing the cell phone fees for Kanawha County by approximately \$200,000 for the current year and each year after, and also the legislation passed that Metro would allow Metro to receive \$60,000 on map sales.

Rick McElhaney emphasized that the moral of this was to take care of the employees, and that was their goal. McElhaney stated that the job responsibilities of captains and lieutenants had vastly increased and gave several examples of how so. McElhaney said that Metro had recently been studying turnover rate, and the group with the highest rate was one to five year employees. McElhaney stated that there have been a lot of changes in how Metro is recruiting people and Metro is finding people that can do the job, but they are still being lost because they're going to other companies that either pay better, or possibly pay equal or less but don't have rotating shifts and don't have the constant stress of a 911 center. McElhaney stated that you cannot lower the stress inside a 911 center, but you can lower the employees' stress by getting them out of here more, giving them more days off so that they come back ready to work and save lives. McElhaney went more in detail about the cost breakdown of training someone and that through exit interviews whenever possible, including inquiring about pay & responsibilities, it seems that Metro is losing people, whether to other emergency service jobs, other 911 centers, or somewhere else, because of pay. McElhaney also reiterated the increase of job responsibilities for captains and lieutenants then concluded that the dispatchers deliver, and now he hopes that administration can deliver.

There was a brief discussion led by Grant Gunnoe summarizing the re-organization plan and its purpose. Captain Meadows asked for clarification on the captains and overtime. Rutherford stated that if this went through, the captains would get a decent raise, but administration was going to cap how much overtime they could work, so the purpose was for the supervisors to be able to make approximately the same amount of money, but with more time off. Rutherford stated this would also save more money on the back end because all the spots have to be filled, but a seat can be filled by a telecommunicator who makes less rather than a supervisor.

Finance Committee
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Motion made to recommend a cost of living increase and dispatch re-organization to the Executive Board.

Motion: Sampson

Second: Vititoe

The motion carried unanimously.

Old Business – None.

New Business – None.

Public Comment – None.

Motion made to adjourn by Sampson at 11:42 a.m.

Respectfully submitted,

A handwritten signature in blue ink, appearing to read "Job Ruth", with a long horizontal flourish extending to the right.