



**North Carolina 911 Board
Funding Committee Meeting
MINUTES**

November 18, 2021

1:00pm – 3:00pm

Microsoft Teams, Raleigh, NC

Meeting was Conducted via Use of Simultaneous Communications

<u>Members on Phone</u>	<u>Staff on Phone</u>	<u>Others on Phone</u>
Randy Beeman	Amy Berenson	
Jason Barbour	Stephanie Conner	
David Bone	Kristen Falco	
Greg Coltrain (<i>Joined at 1:12pm</i>)	Pokey Harris	
Allen Cress	Gerry Means	
Chuck Greene	David Newberry	
Del Hall	Tom Rogers	
Melanie Neal	Marsha Tapler	
Candy Miller	Sarah Templeton	
Stephanie Wiseman	Angie Turbeville	

1. Roll Call –

The meeting was called to order at 1:00 pm by Mr. Bone. Ms. Templeton proceeded to call the roll.

2. Executive Director Opening Remarks –

Ms. Harris welcomed Committee members and thanked everyone for a productive year accomplishing the 2021 goals. Ms. Harris reminded the Committee the Board will review and approve the 2022 goals and North Carolina State 911 Plan at the Board work session in December.

3. Chairs Opening Remarks –

Mr. Bone thanked Board staff for all the advancements created during the past year and expressed appreciation for the PAT connecting with PSAPs throughout the year. Mr. Bone asked Ms. Harris to discuss the Priority One grant. Ms. Harris explained the Priority One PSAP Collaboration Grant and the set-aside of five million dollars by the Board for collaborative efforts. The required grant workshop will be in December and will involve the review of the application and financial information required.

4. Approval of October 2021 Minutes (Vote Required) –

Mr. Bone requested a motion to approve the minutes as presented; no corrections were noted by the committee. Motion made by Mr. Greene to approve, seconded by Mr. Hall. Ms. Templeton conducted a roll call vote. Motion carried unanimously.

Approval of October 2021 Funding Committee Minutes		
Committee Member	Vote to Approve	Vote to Not Approve
Randy Beeman	Y	
Jason Barbour	Y	
David Bone	Y	
Greg Coltrain <i>(Not Present for Vote)</i>		
Allen Cress	Y	
Chuck Greene	Y	
Len Hagaman <i>(Not Present)</i>		
Del Hall	Y	
Melanie Neal	Y	
Candy Miller	Y	
Stephanie Wiseman	Y	

5. High Fund Balance Procedure Review –

Ms. Tapler presented the high fund balance procedures and the timeline for FY2023 and FY2024 created by Regional Coordinators and finance staff to communicate with high fund balance PSAPs and low fund balance PSAPs. Ms. Harris advised the timeline was aligned with legislative mandates, committee meetings, Board meetings, Budget, reconsideration deadlines, and PSAP distributions determinations.

Mr. Bone thanked staff and mentioned the progress made on high and low fund balances with the PSAPs. Mr. Bone asked if there were any major changes from the high fund balance review from last year. Ms. Tapler responded last year, high fund balance recommendations were brought forth at the November meeting, and the only change is they will be presented in April this year. This timeframe allows staff and PSAPs to utilize the financial planning tool and create their technology plan. This timeframe coincides with when PSAPs and Local Governments are creating their budgets and working on their spending plans.

Mr. Greene suggested communicating with the PSAPs in the estimated distribution letter that they are identified as a high fund balance PSAP. Ms. Harris presented the estimated distribution letter with language describing a fund balance that significantly exceeds the allowable carry forward amount.

Ms. Tapler discussed the 2022 staff goal approved by the funding committee that every PSAP will have a financial planning tool and a 3-year forecast spend plan and technology plan.

Ms. Neal asked how staff are addressing those seven PSAPs voted to withhold funding in the prior year and if the PSAPs are working on their spending plans. Ms. Harris advised those PSAPs are supposed to show progress made on their technology plan

and spending plan. Those PSAPs could be included in the group presented in April showing they are not making progress on their fund balance and/or could need funding for the upcoming distribution.

Mr. Beeman sought clarification on what progress looks like for PSAPs spending plan. Ms. Harris advised it could be purchase approval from the governing body, purchase orders letter with needs and anticipated purchases for the year, and/or CIP. Mr. Beeman asked if it should involve action taken or simply verbalization of plans. Ms. Harris advised some are verbalization of plans, and those will be presented to the Committee with the recommendation.

Ms. Harris thanked staff for their time and attention to the procedure.

Fund Balance Procedures and Timeline

FY2023/FY2024 Distribution:

October 2021: Regional Coordinators (RCs) received the estimated FY2023 PSAP distribution workbook identifying PSAPs with high and low fund balances.

- **High Fund Balance PSAPs:**

- PSAP Assistance Teams (PAT) work with PSAPs from November 1 through March 31, 2022, using the financial planning tool to work on their technology plan and spend plan for using their high fund balance.
- April 1: RCs notify Financial Analyst which PSAPs will be recommended to withhold funds for FY2023: this information is for the Board's Budget and PSAP distribution. Also, RCs will report findings to the Funding Committee for vote which will then be brought forward to Board meeting.

- **Low Fund Balance PSAPs:**

- PAT teams will work from October through January with PSAPs in preparation for the February 28th reconsideration deadline. Reconsiderations are as needed, based on eligible expenditures exceeding distribution (for example: maintenance contract increased, capital projects etc.).
 - Financial Review Specialists will have January through March to review reports and reconsiderations.
 - April 1: Financial Review Specialists will have the reconsiderations completed in preparation for vote at the Funding Committee meeting. This information will be provided to the Financial Analyst for the Board's Budget and PSAP distribution for review at the Funding Committee and Board meeting.

Fund Balance Goal (aligns with funding committee staff goal):

Every PSAP should have a financial planning tool and working on their 3-year forecast (technology plan and spend plan) to assist with the fund balance.

- Low fund balance: this will advise when the PSAP needs a funding reconsideration (February or August) to increase distribution.
- High fund balance: it will give proper preparation if they are identified in October.

PSAP Distribution Letter Language:

The 911 Board is required to present the estimated approved distribution amount (base amount as defined in G.S. §143B-1406) for each primary PSAP by December 31 of each year for the upcoming fiscal year. The North Carolina 911 Board approved a funding method in December 2010 for distributing funds to primary PSAPs.

At the April 26, 2019, Board meeting, an amendment to the current calculation to determine the 5-year rolling average was approved to allow for the shifting of cost from the PSAP to the Board relating to the Next Generation 911 project. The information relating to this cost shift, sent previously by email May 31, 2019, to all PSAP managers, reflects the following approved motion:

Recognizing that costs of the ESInet paid directly by the Board will replace some costs currently included in eligible expenses paid through monthly distributions to primary PSAPs, and that the Board has a duty to manage the 911 Fund for the benefit of all PSAPs and citizens, the Funding Committee recommends to modify distributions to primary PSAPs following migration to the ESInet for the purpose of retaining amounts for eligible expenses included in the Board's direct payments for ESInet costs associated with the ESInet. Board staff will work with the primary PSAPs before ESInet migration to identify and reconcile monthly distributions with the Board's direct payments for ESInet costs for the PSAP. Eligible expenses arising from valid contracts of a PSAP will be identified, and such contracts will not be defunded if the PSAP will have a negative impact.

For those PSAPs not on the ESInet or hosted call handling solution, the distribution is determined by the 5-year rolling average of expenditures. Those who have migrated, a cost shift will occur, and the adjustment will become the PSAPs new 5-year rolling average.

The 911 Board must also consider the amount of funds carried forward for your primary PSAP in determining the distribution amount for the upcoming fiscal year. This is required by §143B-1406(a1), and the determined distributions remaining in the Emergency Telephone System Fund for the past two years. PSAPs may carry forward no more than 20% of the average yearly amount of the prior two years for eligible expenditures for capital outlay, capital improvements or equipment replacement. The 911 Board, however, may allow a PSAP to carry forward a greater amount.

Based on the current information on file, the estimated annual distribution to your PSAP for FY2023 is \$XXX. XX. However, your PSAP has been identified as having a fund balance which significantly exceeds the allowable carry forward amount, so further review with the 911 Board staff will be necessary to ensure the funding distribution is needed for the PSAP for the upcoming fiscal year.

Your 911 Regional Coordinator, NAME, will be reaching out to the PSAP Manager for meeting availability to review both the technology plan and spend plan for your PSAP. If you have questions or concerns prior to this meeting, please contact the Regional Coordinator to discuss.

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6. PSAP High Fund Balance Discussion –

Ms. Turbeville discussed the eight PSAPs in the eastern region identified as having a high fund balance. After an initial discussion, some PSAPs have planned expenditures and already sent in eligibility requests. Another PSAP has planned expenditures and once the financial planning tool was updated, there is a chance the PSAP will not have enough funds to cover the planned expenditures.

Ms. Turbeville discussed seven PSAPs in the north-central region identified as having high fund balance for Ms. Gardner who was not in attendance for the meeting. Ms. Gardner has two PSAPs from last year's group.

Mr. Newberry discussed the five PSAPs with high fund balance in the south-central region. One PSAP with its planned expenditures might not have enough funding to cover those capital projects. Another PSAP has a large project, and they are working on the timing.

Ms. Conner discussed the six PSAPs in the western region identified as having a high fund balance. Two were identified last year, and those PSAPs have been following through on their spending plan created last year. The four new PSAPs have been working on the financial planning tool, and Ms. Conner is scheduling in-person meetings for further discussions and review.

Ms. Harris advised the PAT concept is working well and is beneficial to PSAPs.

7. PSAP Estimated FY2023 Distribution (Vote Required) -

Ms. Tapler presented the PSAP Estimated FY2023 Distribution in the amount of \$42,780,995.02, explaining the data presented in the spreadsheet and how the estimated funding distributions were calculated for FY2023. Cost shifts have been completed for PSAPs migrated to the ESInet, which has changed their distribution. For PSAPs reduced by a high amount of monies, after a cost analysis, the PSAPs did not spend their distribution in FY2021. Ms. Tapler plans to perform further analysis and have discussions with those PSAPs.

Ms. Neal asked for clarification if conversations with PSAPs being reduced have already occurred. Ms. Tapler clarified a cost analysis on why they were being reduced was conducted. Ms. Tapler plans to have discussions with those PSAPs to make sure they reported the correct expenditures on their FY2021 revenue expenditure report to make sure the information is correct for the report and distribution.

Mr. Bone requested a motion to approve the PSAP Estimated FY2023 Distribution as presented; motion by Mr. Beeman, seconded by Mr. Hall. Ms. Templeton conducted a roll call vote. Motion carried unanimously.

Approval of PSAP Estimated FY2023 Distribution		
Committee Member	Vote to Approve	Vote to Not Approve
Randy Beeman	Y	
Jason Barbour	Y	
David Bone	Y	
Greg Coltrain	Y	
Allen Cress	Y	
Chuck Greene	Y	
Len Hagaman (<i>Not Present</i>)		
Del Hall	Y	
Melanie Neal	Y	
Candy Miller	Y	
Stephanie Wiseman	Y	

8. PSAP Report Status Update –

Ms. Templeton presented the PSAP Report Status update for FY2019, FY2020, and FY2021 revenue expenditure reports as of November 12, 2021. For FY2019, 127 reports were received, 119 are finalized, and 8 are awaiting the signed revised report. For FY2020, 127 reports were received, 83 are finalized, 28 are in the clarification process, 16 are awaiting the signed revised report. For FY2021, 128 reports were received, 6 are finalized, 27 are in the clarification process, 5 are awaiting the signed revised report, and 90 reports awaiting review.

9. Closing Remarks –

Ms. Harris thanked the team and looks forward to reporting this to the Board in December. Mr. Bone requested the finance team include the procedure review in their report at the December Board meeting. Ms. Neal asked when the NC State 911 Plan would be distributed to the PSAP community for review prior to the Board meeting. Ms. Harris advised the Regional Coordinators would be sending it out on Monday, November 22, 2021, and everyone will have a week to provide any comments.

Mr. Bone advised this was Gerry Means' final Funding Committee meeting and thanked him for his years of service and leadership. Committee members shared their thanks for Gerry and wished him the best in his retirement.

The meeting was adjourned at 1:45 pm.