

1 STATE OF TENNESSEE  
2 DEPARTMENT OF COMMERCE AND INSURANCE  
3 TENNESSEE EMERGENCY COMMUNICATIONS BOARD

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10 BOARD MEETING

11 August 22, 2013

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22 Ad Litem Reporting  
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Reported by: Tracy Wilkes, LCR

1 BOARD MEMBERS PRESENT:

- 2 Randy Porter, Chair
- Ike Lowry, Vice Chair
- 3 Mark Archer, Member
- Rachel Newton, Member
- 4 Barbara Blanton, Member
- Steve Smith, Member
- 5 Jimmy Turnbow, Member

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7 BOARD MEMBERS NOT PRESENT:

- 8 James Sneed, Member
- R. Hal Buttram, Member

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STAFF MEMBERS PRESENT:

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- Lynn Questell, Executive Director
- 12 James Barnes, Accounting Manager
- Curtis Sutton, Assistant Direct & General Counsel
- 13 Amber McDonald, Director of Government & External Affairs
- Robert McLeod, Director of Audit
- 14 Jay Goldman, Accountant
- Eddie Burchell, Chief of 911 Technical Services

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1	TABLE OF CONTENTS		
2			Pages
3	1. Public Comment Period (15 minutes)		
4	2. Report of the Executive Director		
5	a. Updates		
6	i. Executive Director's Report	6 - 22	
7	ii. Staff Recommendations for Extension		
8	of Landline Rates in Bledsoe,		
	Cheatham, Fayette, and Sullivan		
	County ECDs and Brentwood ECD	22 - 23	
9	b. Action Items:		
10	i. Consider Recommendation from the		
11	Policy Advisory Committee Regarding		
12	Assistance to ECDs with Revenue		
13	Shortfalls Caused by Charter		
	Fiberlink's Decision to Remit 911		
	Service Charges as a VoIP Provider		
14	ii. Consider Adopting Proposed Policy		
15	No. 46 to Establish Conditions for		
16	Financial Assistance Necessary to		
	Offset Revenue Shortfalls in ECDs		
	Caused by Charter Fiberlink's Decision		
	to Remit as a VoIP Provider	27 - 48	
17	iii. Consider Amending Policy Number 16		
18	(Financially Distressed Districts) to		
19	Require Distressed ECDs to Obtain		
	TECB Approval to Enter into Loans or		
	Refinancing Agreements over \$5,000	48 - 50	
20	iv. Consider Proposal by Nominating		
21	Committee for Vacancy on Policy		
	Advisory Committee	50 - 52	
22	v. Consider Recommendations for Members		
23	of Technical Advisory Committee	52	
24	Adjourn	54	
25			

1 CHAIR PORTER: Good morning everyone.

2 This is the August 22nd meeting of the  
3 Tennessee Emergency Communications Board.

4 I'm Randy Porter the Chairman.

5 Let the record show that we have a  
6 quorum with Mr. Turnbow -- Mr. Turnbow, Archer, Smith,  
7 Blanton, Lowry, and Newton present.

8 We have a very short agenda this  
9 morning, so unless Mr. Lowry has any large speeches he's  
10 going to give today we should be out of here pretty  
11 quick.

12 We have a new board member. I have  
13 mispronounced his name right off the bat.

14 So probably couldn't get any worse,  
15 Jimmy. Jimmy Turnbow from Wayne County. We're glad to  
16 have you with us, and I'm sure Lynn will talk a little  
17 bit more about that in a few minutes.

18 We also have a new Director of  
19 Governmental Affairs, Amber McDonald. We welcome her  
20 on board.

21 I have to say you're much better looking  
22 than the last one that we had. Andy was a good guy, but  
23 there's no comparison there.

24 (Laughter)

25 CHAIR PORTER: So we welcome you and

1 glad to have you on board. Lynn will talk a little bit  
2 more about that, also.

3 Then, Lynn, I'll turn it over to you for  
4 your executive director's report.

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

6 Well, I did want to welcome our new  
7 member, Jimmy Turnbow. He's taking Freddie Rich's place  
8 when he resigned from the board after his term ended.

9 And Jimmy has served as -- in emergency  
10 services since 1992. He was hired as the 911 director  
11 of Wayne County in 2005. And since then he moved the  
12 dispatch center from a small one-room office in, I think  
13 the sheriff's department to truly a state-of-the-art  
14 kind of bunker PSAP that's built into a hill.

15 The roof is berm. It's really quite a  
16 special PSAP. And it's very, very capable of handling  
17 tornadoes and weather situations like that. Very  
18 secure.

19 Jimmy served six years on the City of  
20 Waynesboro Council and served as both vice mayor and  
21 mayor.

22 He also served for the West Tennessee  
23 representative for TENA, and he continues to serve in  
24 that position since 2010. And he's chairman of the TENA  
25 Legislative Affairs Committee since it was created in

1 2009. He has been a member of the Tennessee Emergency  
2 Communications Board Policy Advisory Committee since it  
3 was created in 2009.

4 I also want to just give a brief welcome  
5 to our new Director of External and Governmental  
6 Affairs, Amber McDonald.

7 She has worked as a TV reporter in  
8 Tennessee and in Pennsylvania and as a broadcast news  
9 instructor. She's worked as a project development  
10 manager, video producer at Vanderbilt University Medical  
11 Center. And she also has lobbying experience, which is  
12 a rare thing to find a person with that skill set. We  
13 feel very lucky that Amber has joined our staff.

14 I'd like to move on to the director's  
15 report.

16 I want to start off with reports of  
17 misroutes or call anomaly issues. We have more than  
18 usual, and I don't think it's because there are more  
19 than usual misroutes. It's because the NOC -- that is  
20 part of the next generation 911 system -- is really up  
21 and running and has really started to optimize reporting  
22 and assisting districts when there are issues.

23 So the NOC automatically reports -- I  
24 get every NOC report. And so I've got more reports than  
25 usual about call anomalies, but I don't want you to

1 think the sky is falling because these misroutes and  
2 anomalies are all legacy issues. They're not Next  
3 Generation 911 issues.

4                   But the NOC is willing to help with any  
5 kind of problem that you even think could be related to  
6 NG911. They're there to help. Feel free to contact  
7 them if you're having technical issues -- or contact  
8 Eddie.

9                   So since the last report there's been  
10 seven instances of misroutes, and as I said, not related  
11 to the Next Generation 911 deployment.

12                   On May 22nd the NOC reported that VoIP  
13 and wireless calls intended for Cumberland County were  
14 being routed to Putnam County. Frontier Communications  
15 was engaged. It was determined that trunk assignment at  
16 the selective router was the issue, and the issues were  
17 resolved.

18                   On June 25th the NOC received a report  
19 that T-Mobile calls intended for the Kingsport Police  
20 Department PSAP were instead routed to Bristol, and the  
21 NOC engaged T-Mobile, Cassidian, and CenturyLink, and  
22 that was escalated and it was corrected.

23                   June 25th and 26th, received a report  
24 from Metro Nashville that U.S. Cellular calls intended  
25 for PSAPs on the Cumberland Plateau were routing into

1 the Nashville PSAP. This was reported to Intrado, and  
2 the issue was addressed.

3                   June 28th the NOC received a report that  
4 US Cellular calls were misrouting from Jefferson County  
5 911 to Metro Nashville PSAP. Intrado was contacted, and  
6 the trunking was corrected.

7                   On July 17th the NOC received a report  
8 of Comcast voice calls routing to the Ducktown PSAP for  
9 Polk County Police Department rather than to Benton  
10 County -- which is way across on the other side of the  
11 state. Comcast is working with the LEC -- which is  
12 AT&T -- to correct that issue.

13                   On July 30th TCS -- the NOC received a  
14 report that some White County landline calls were  
15 misrouting to Perry County, and we found the misroutes  
16 were caused by one of the local carriers performing a  
17 software upgrade to a soft switch which corrupted call  
18 routing tables.

19                   Then on August 12th we received a report  
20 of T-Mobile calls intended for Cumberland County routing  
21 instead to the Metro Nashville PSAP, and that's being  
22 worked on as we speak.

23                   Has that been corrected, Eddie?

24                   MR. BURCHELL: I believe it has, but I'm  
25 not 100 percent sure right now.

1                   MS. QUESTELL: We had one report of  
2 outage since the last meeting in May, which was on  
3 July 13, 2013. TECB received a report that the PSAP in  
4 the City of Franklin had a full outage due to power  
5 issues. The outage was 5 hours and 55 minutes. And  
6 they came back up.

7                   Reporting on ECD activities. I want to  
8 report that there -- for the first time in a long time  
9 there are no new PSAPs that are joining the list of  
10 PSAPs that have satisfied the training requirements to  
11 be 911 partners for the Nashville Center for Missing and  
12 Exploited Children. And I would really like to remind  
13 people what an important initiative that this is.

14                   Tennessee has eighteen 911 partners.  
15 The purpose of this is to make sure that if there are  
16 911 calls related to missing children that they're  
17 handled in the absolute most professional way possible.

18                   I do want to say that Tennessee has more  
19 911 partners, by far, than any other state. I really  
20 hope that we continue that record.

21                   The status of recurring operational  
22 funding. As of August 14th, \$6,273,105 -- no --  
23 \$6,273,000 from the ROC -- the Reoccurring Operational  
24 Funding allocation has been processed and paid to the  
25 districts.

1                   And the annual payment for GIS Mapping  
2 Maintenance of \$1,010,000 was paid out on August 9th.

3                   The status of the NG911 Equipment  
4 Reimbursement. As of August 14th, 74 districts have  
5 either been paid or are in the process of being  
6 reimbursed for requests totaling \$16,235,000. Under the  
7 Next Generation 911 Equipment Funding Program.

8                   The status of the \$450,000 Essential and  
9 Necessary Equipment Reimbursement. As of August 14th,  
10 97 districts have either been paid or are in the process  
11 of being paid for requests totaling \$22,086,000.

12                   Nine districts have requested the  
13 maximum of 450,000, two have not initiated any  
14 efforts -- contact with us about requesting any of their  
15 funding. We've been in contact with them, and they're  
16 still in the planning stages. That would be Benton and  
17 Oak Ridge.

18                   The status of the GIS and TIPS Incentive  
19 Funding. I'll talk a little bit more about this when we  
20 discuss the NG911 deployment, but the August payment did  
21 go out. This is the money that the Board has put aside.

22                   The money, not including the 25 percent  
23 money that we have to -- that statutorily goes out to  
24 the districts -- but it's -- all the money that's  
25 collected from the VoIP providers is distributed out to

1 the districts to assure that we have a uniform statewide  
2 GIS mapping system, which is going to be so important  
3 for our Next Generation 911 deployment because we will  
4 be actually plotting calls on the mapping system.

5                   It has to be correct. So this is our  
6 incentive program.

7                   Report on Emergency Board activities --  
8 Emergency Communications Board activities. As we  
9 announced at the last meeting the Office of the Attorney  
10 General filed a lawsuit against magicJack and it's  
11 parent corporation, YMax, for failure to pay 911 fees --  
12 any 911 fees.

13                   MagicJack filed a motion to dismiss,  
14 which is pending. And that's kind of where we are right  
15 now with that.

16                   Committee activities. Meeting of the  
17 Policy Advisory Committee was held on July 16th to  
18 discuss 911 funding. Both Senator Gardenhire and  
19 Representative Evans, who were the sponsors of the 911  
20 funding bill during the last session, attended the  
21 meeting.

22                   The first issue that the committee voted  
23 on -- which will be dealt with later on in our meeting  
24 here -- is the change in remittances by  
25 Charter Fiberlink. The committee voted -- recommended

1 that there be some -- that the Board provide some relief  
2 to districts that are facing financial challenges due to  
3 that change. Which I'll explain in detail as we get  
4 further into the meeting.

5                   And they also discussed 911 funding.  
6 And there were proposals to change the 911 funding model  
7 that were presented by JR Kelley, who is the director of  
8 Wilson County ECD; Raymond Chiozza, who is the director  
9 of Shelby County ECD; and Jimmy Turnbow, who is the  
10 director of Wayne County ECD and was just appointed to  
11 this board.

12                   To update everybody on the next  
13 generation project, the deployment of wireless carriers  
14 onto the Next Generation 911 infrastructure is  
15 proceeding well. Five carriers -- Cricket,  
16 U.S. Cellular, DTC, C-Spire, and Sprint have completed  
17 their deployment onto the new infrastructure.

18                   Deployment of PSAPs has been temporarily  
19 halted while a software patch is being tested to address  
20 some problems with call transfers. About nine districts  
21 were impacted -- maybe even less than that -- fewer than  
22 that -- by this issue, but we wanted to stop until the  
23 issue was addressed and not continue.

24                   I can report that as of yesterday the  
25 patch is being tested in an AT&T lab. And I would say I

1 was told so far so good. Deployment will recommence as  
2 soon as the patch is fully tested and approved. We'll  
3 make an announcement. I'll send out an e-mail to  
4 everybody once that happens.

5 Preliminary testing of controller CPE  
6 equipment is continuing. As of August 1st, 129 PSAPs  
7 had the equipment necessary for connection to the new  
8 911 infrastructure installed; service orders for 140  
9 PSAPs had been submitted; and circuits connecting 134  
10 PSAPs to the core were complete.

11 Forty-seven PSAPs have been connected to  
12 the infrastructure, and one of the issues that's kind of  
13 affected the rate of the deployment is controller  
14 readiness. I would just encourage vendors to contact  
15 Chad and Eddie and they'll help you with -- kind of the  
16 preliminary stuff, and that could really save some time.

17 One thing I also wanted to mention is  
18 now that we really are getting deployed the issue is  
19 change control. If you have the NG911 equipment  
20 operating in your PSAP you can't just start unplugging  
21 stuff. And we have had that, you know, oh, I don't like  
22 this and pull the plug. That's going to have  
23 repercussions -- or could have repercussions that you  
24 really don't want.

25 If you're going to make changes or if

1 you're going to move to a backup PSAP -- if you are  
2 going to do things like that, please contact the TCS NOC  
3 and just give them notice so that everyone is aware.  
4 The infrastructure is being monitored 24 by 7 and it  
5 just would really be so helpful to -- for them to be  
6 able to expect changes and plan for them instead of, oh,  
7 my gosh, it's an emergency, something is broken and it's  
8 really not.

9                   We've had that happen. And I just  
10 couldn't encourage you enough, just provide notice to  
11 the NOC. And if you don't have contact information to  
12 the NOC then just call Eddie and we'll be happy to  
13 provide that for you. And we can put that information  
14 on the Web site as well. We'll do that.

15                   We are progressing on our project to get  
16 to 98 percent accuracy on the GIS mapping system's  
17 center lines. And OIR/GIS was working on that and  
18 they've reported -- and I think this is kind of a moving  
19 target because I think a lot of districts are  
20 continuing -- which is what we really appreciate --  
21 continuing to work on their GIS mapping systems to get  
22 them more and more accurate.

23                   At the time they reported -- which was  
24 last week -- sixty-seven of the 106 districts had over  
25 98 percent accuracy, eight districts had 95 to 97

1 percent accuracy; six districts had 90 to 95 percent  
2 accuracy; sixteen districts had less than 90 percent  
3 accuracy; there were three districts that had  
4 questionable ALI, and thirty districts failed.

5                   So we're going to be asking those  
6 districts to give us a reason why they failed and to  
7 give us a plan of what they intend to do to get up to  
8 the standards where they need to be.

9                   Due to the timing of these results there  
10 were no impact on the GIS Incentive Payment for the VoIP  
11 funding. But the next payment comes during the fourth  
12 quarter and we may be bringing this to the Board's  
13 attention and districts may not get their incentive  
14 funding if they can't find a way to get up to the  
15 required accuracy.

16                   Hopefully everyone will by then. That's  
17 what we're really hoping for. And if you need any help  
18 at all please contact Drew Griswold -- which is my next  
19 announcement.

20                   We want to announce that Patrick  
21 Melancon resigned from state government. He's going to  
22 go to work for a private GIS mapping company, and Drew  
23 Griswold who was the GIS person for Middle Tennessee is  
24 going to be taking over Patrick's duties.

25                   So if you have any questions with your

1 GIS or any questions, please contact Drew. If you don't  
2 have his contact information, please let us know, and  
3 we'll provide that for you.

4 Rulemaking proceeding. The drafting  
5 process for promulgating regulations to effectuate the  
6 Board's role in implementing the Kelsey Smith Act are  
7 being worked on.

8 And update on legislative activities.  
9 On August 20th the Fiscal Review Committee of the  
10 General Assembly was conducting a review of the accuracy  
11 of the fiscal notes and they looked at the Board's  
12 prepaid bill -- the 911 fees on prepaid cell phone  
13 service, and it was reported at that hearing that the  
14 receipts that we've gotten from prepaid is less than  
15 what was predicted in the fiscal notes.

16 On August 20th the Senate Ad Hoc  
17 Committee on Emergency Communications met. This is a  
18 committee that is chaired by Senator Gardenhire, and  
19 Senator Tate and Crow serve on the committee.

20 The Lieutenant Governor created the  
21 committee. And I'm going to read what their marching  
22 orders were from the Lieutenant Governor. It says,  
23 "This committee shall strive to study the operations of  
24 the Tennessee Emergency Communications Board, their  
25 funding allocations, and any other policies that may be

1 necessary to fully understand the operations of the  
2 Emergency Communications Board and the Emergency  
3 Communications Districts."

4 Issues that were discussed during the  
5 meeting included the 911 funding model and depreciation.

6 I just wanted to thank Senator  
7 Gardenhire and the committee for their leadership. It  
8 was a really open meeting. They were very interested in  
9 hearing from the audience and gave everyone who wanted  
10 to speak a chance to talk. And I think everyone who was  
11 there really appreciated that.

12 The last thing is the Board is scheduled  
13 to appear before the Judiciary and Government Joint  
14 Subcommittee of Government Operations on September 18th  
15 at 1:30 for a sunset review.

16 I do want to make sure that everyone  
17 knows -- because of the point of pride -- that during  
18 our sunset audit the Board had no findings.

19 CHAIR PORTER: Any questions of Lynn on  
20 the executive director's report?

21 MEMBER TURNBOW: Mr. Chairman, I have  
22 one.

23 Lynn, on the prepaid shortfall in  
24 revenue, was that a substantial amount? I mean, is that  
25 something that maybe we need to ask the Policy Advisory

1 Committee to study to see why there was a shortfall  
2 overprotection, or is just something that we're saying  
3 will work itself out in the future?

4 MS. QUESTELL: Jim, do you want to speak  
5 to that?

6 MR. BARNES: The reported shortfall from  
7 the investigative committee -- the Fiscal Review  
8 Committee, the person who gave the reported shortfall  
9 was basing it on the projected money that the -- revenue  
10 that was supposed to be generated and increase our  
11 funding, and that basically is what's short.

12 We're basically still drawing about the  
13 same amount. We're losing approximately \$200,000 a year  
14 from the revenue that we were collecting prior to that  
15 point in time, but they projected we would have a  
16 \$1.7 million increase. So when he's talking about the  
17 shortfall, is that projected revenue increase did not  
18 happen.

19 So basically we're about the same  
20 amount. We're not getting the increase in funds that  
21 were projected from the note.

22 MS. QUESTELL: It was -- the point of  
23 the hearing was basically to measure the accuracy of the  
24 projections that the Fiscal Review Committee was  
25 getting. So we're not -- the actual money that we're

1 getting under this model as compared to our earlier  
2 model -- we're getting a little bit less. But the point  
3 of the hearing was really for the General Assembly to  
4 kind of get an update on how reliable the projections  
5 they were receiving were. So --

6 CHAIR PORTER: Not very reliable, I  
7 think is --

8 MEMBER TURNBOW: And that was my point.  
9 I just -- because prepaid seems to be the fastest  
10 growing point of sale, so I just wanted to make sure it  
11 wasn't something that we weren't receiving that we  
12 should be. But it was just a lack of sales as  
13 projected.

14 CHAIR PORTER: I think it was -- whoever  
15 did the projection -- when they put the numbers  
16 together -- when we swapped over the way of collecting I  
17 think was -- wasn't as conservative as probably they  
18 should have been, I think.

19 Jim, is that a fair statement?

20 MR. BARNES: Yes. They actually based  
21 their projection on 17.2 percent of the total cell phone  
22 users and it was something from the national standard.  
23 So it just -- I don't know where they grabbed that  
24 number from, but that was their basis instead of our  
25 actual history of what had been happening.

1 MS. QUESTELL: And our receipts may  
2 change with the issuance of the new Attorney General  
3 opinion about prepaid that clarifies that a reduction in  
4 time is not a reduction in use. So carriers may change  
5 what they're calling "prepaid." Because the key  
6 difference is if it's just regular 911 fees, they are  
7 getting -- the 911 fee for regular service is \$1 per  
8 user or subscriber per month, and the amount for prepaid  
9 transactions is 53 cents.

10 MEMBER SMITH: Just for my recollection,  
11 if I recall when that was enacted, we're working with  
12 the Department of Revenue, is that correct? So we have  
13 an auditing capability?

14 And we're also providing -- they retain  
15 a small percentage for that, so we do have a check and  
16 balance. Would that be correct?

17 MS. QUESTELL: That's correct.

18 CHAIR PORTER: New way of doing business  
19 for this first year, so it takes a little while to get  
20 some good numbers.

21 Any other questions?

22 MEMBER ARCHER: Yes.

23 I want to move on to another area up  
24 here on Benton and Oak Ridge. Is there -- have you  
25 talked to them at all?

1 MS. QUESTELL: Yes, we have.

2 MEMBER ARCHER: Have they put in new  
3 controllers? Have they asked for that money, too?

4 MS. QUESTELL: To my understanding  
5 they're planning on that.

6 Is that not correct?

7 MR. BARNES: Benton County has about  
8 \$750,000 of expenses they've incurred in the last year  
9 or so: moving into a new building and installing their  
10 controller. They're working on that.

11 They're also working on the GIS mapping  
12 component as part of the whole deal. He originally  
13 thought -- Mr. Smoot originally thought that he would  
14 have a request in by the end of the fiscal year, but I  
15 have not seen it yet.

16 Oak Ridge is another issue. I'm not  
17 aware of the most recent results there, but they were  
18 also considering some sort of a consolidation effort and  
19 they were withholding money for a specific event or  
20 request, so we have been talking with them and trying to  
21 check and see what kind of activity they're going to --

22 MEMBER ARCHER: This has been there for  
23 quite a long time, and I know Mr. Smoot is not the  
24 director any more.

25 MR. BARNES: Right. He's still active

1 with the 911, but they have hired Justin, I believe, as  
2 their new director. But he's still very active in  
3 getting things done. He's had health problems and stuff  
4 for the last little bit.

5 MEMBER ARCHER: Right. I understand  
6 that.

7 Just one more question about the  
8 software patch. Did that have to do with a particular  
9 vendor or was it involving multiple vendors?

10 MS. QUESTELL: It wasn't really about --  
11 it wasn't about the infrastructure itself. It's not an  
12 equipment issue.

13 CHAIR PORTER: Any other questions?

14 (Pause)

15 CHAIR PORTER: All right. Thank you,  
16 Lynn.

17 Next item on the agenda is Staff's  
18 Recommendations for Extensions of Landline Rates in  
19 Bledsoe, Cheatham, Fayette, Sullivan and Brentwood ECDs.

20 Lynn, you want to talk about this?

21 MS. QUESTELL: Yes.

22 The landline rates for those districts  
23 were reviewed under Policy 14. And from Staff's  
24 analysis of the record and reports filed by these  
25 districts, it appears that the contributions by other

1 governmental entities to these districts have not been  
2 reduced and the justification for the rate increases on  
3 their landline remain valid.

4 Policy 11 allows the Board to modify the  
5 rates of local 911 service charges on landlines at any  
6 time.

7 And Policy 42 requires district  
8 management to notify the TECB if contributions by local  
9 government are reduced. And neither of those -- that  
10 hasn't happened here, so Staff has found no reason not  
11 to allow the current rates to be continued at this time.

12 CHAIR PORTER: All right. The way we do  
13 this is, we don't actually vote on it. We just -- if  
14 anybody has any objections why, if you let that be  
15 known; otherwise the rate increases will continue as  
16 they were set by the Board -- whenever that was -- on  
17 each one.

18 (Pause)

19 CHAIR PORTER: Hearing no objections,  
20 we'll let those rate increases continue then.

21 Next item on the agenda is Consider  
22 Recommendation from the Policy Advisory Committee  
23 Regarding Assistance to ECDs with Revenue Shortfalls  
24 Caused by Charter-Fiberlink's Decision to Remit 911  
25 Service Charges as a VoIP Provider.

1                   Lynn?

2                   MS. QUESTELL: Thank you.

3                   This is the issue that I mentioned  
4 earlier during the director's report. In April of this  
5 year Charter stopped remitting as a landline provider  
6 and began to remit 911 fees as a non-wireline VoIP  
7 provider. It did this without notice to any of the  
8 districts, and this is creating a real issue.

9                   Let me just give a little background so  
10 everyone kind of understands.

11                   The change in remittance is kind of  
12 possible because the statutory definitions of landline  
13 and VoIP are not really specific. I think that's a fair  
14 thing to say. They're significant because the fees on  
15 landlines are remitted to the local district at  
16 differing rates that are set by the districts and can be  
17 raised up to a statutory maximum by the Board or by  
18 local referendum.

19                   So landline fees on residential lines,  
20 it's a per line fee that's collected locally by all the  
21 people with phone service -- landline phone service in a  
22 district, it's a pass-through on the phone bills.

23                   The landline fee, the local districts  
24 can raise it up to a statutory maximum of 65 cents per  
25 line for residential lines and \$2 for business lines.

1                   The Board -- or by a referendum, they  
2 can be raised up to a \$1.50 per line for residential  
3 lines and \$3 for business lines with a maximum of 100  
4 lines per business location.

5                   So this is the traditional way the  
6 districts supported themselves. And all of a sudden in  
7 April Charter starting remitting as a non-wireline  
8 telecommunications carrier. And that means that it was  
9 collecting a \$1 per user or subscriber per month and  
10 remitting it to the Tennessee Emergency Communications  
11 Board instead of locally.

12                   And the bottom line is that there are  
13 some districts that are going to lose up to -- over  
14 \$200,000 a year from this change. Budgets are tight and  
15 to have all of a sudden a 200- -- or more --  
16 thousand-dollar hole in your budget could really, in  
17 certain situations, impact the level of quality of 911  
18 service in a district. This is just a totally  
19 unexpected reduction in revenue.

20                   The other thing is because the Board  
21 remits to all of the districts some districts who didn't  
22 have Charter are going to get -- actually get more from  
23 this. So there are some inequities.

24                   So the Policy Advisory Committee  
25 addressed this issue, and it was a really valuable

1 discussion. They recognized that whereas the Board  
2 should and could try and provide some assistance it  
3 looks like lots of carriers are going to be changing  
4 from landlines to VoIPs. And to sustain this over a  
5 long time and to have this just be the tip of the  
6 iceberg, the Board is not going to be able to sustain  
7 that over an extended period as more and more landline  
8 carriers change to VoIP.

9                   So the Policy Advisory Committee had a  
10 number of recommendations.

11                   First of all, they recognize that  
12 districts should attempt to mitigate their losses before  
13 seeking the Board's assistance, so if they hadn't  
14 already raised their landline rates up to the statutory  
15 maximum they should do that before asking this board for  
16 assistance and that they should provide the Board with  
17 some evidence of need.

18                   They ask the Staff to draft a new policy  
19 setting standards for financial assistance. So Staff  
20 recommends that the Board adopt the Policy Committee's  
21 recommendations and the next agenda item would be the  
22 proposed policy that Staff has drafted in light of the  
23 Committee's recommendation.

24                   CHAIR PORTER: Okay. So really  
25 number "i" and number "ii" actually go together here,

1 and there's not really anything to vote on as far as  
2 number "i."

3                   So if everybody is okay, we'll move on  
4 to number "ii" and combine those two and listen to the  
5 policy that Staff has come up with and what their  
6 recommendation is.

7                   MS. QUESTELL: Thank you, sir.

8                   So in keeping with the Policy Advisory  
9 Committee's recommendations Staff has drafted Policy  
10 No. 46, which basically establishes standards for  
11 providing assistance to districts who have revenue  
12 shortfalls caused by the Charter's change in its  
13 remittance policy.

14                   It's intended to reflect the fact that  
15 the committee recommended that we realize that the  
16 Board's resources are not unlimited.

17                   So instead of reading the policy into  
18 the record, if the Board doesn't mind, I'll just go kind  
19 of over -- hit the high points.

20                   So, first, it requires that districts  
21 that have local landline rates lower than the statutory  
22 maximum that are seeking assistance from the TECB for  
23 losses from Charter's changes to raise their 911 service  
24 charge on local landlines to the maximum.

25                   And also requires them to certify that

1 the loss of revenue from Charter will impact the level  
2 and quality of 911 service the district provides.

3                   And then they must provide evidence of  
4 the amount of their loss from the Charter change in  
5 remittances by providing evidence of the total amount of  
6 revenue per month received by Charter during the prior  
7 12 months.

8                   And it also requires something that we  
9 have when districts come in for rate increases, which is  
10 that they must provide an interlocal agreement with any  
11 local government that contributes facilities, resources,  
12 or -- and/or income of any kind to the district and that  
13 local government would agree not to reduce those  
14 contributions so that when the Board provides assistance  
15 the district is actually getting the benefit of that and  
16 not the local government who says, okay, you got more  
17 money so I'm taking this away.

18                   So that is essentially the same thing  
19 that we require when there's a rate increase. The  
20 maintenance of effort policy. That keeps the  
21 contribution that this board's giving from becoming a  
22 backdoor tax unrelated to 911.

23                   And so once that criteria -- all those  
24 would be met, then the TECB would make a one-time  
25 payment of half the amount that the district received

1 from Charter during the last 12 months. And if this is  
2 insufficient to assure the level and quality of the 911  
3 service the districts would not be precluded from coming  
4 back to the Board and asking for more assistance.

5 CHAIR PORTER: Okay. You've heard  
6 Staff's recommendation on new Policy 46. And when you  
7 think back over the past of what we've done, it's almost  
8 like the catastrophic policy that we developed where if  
9 a PSAP got hit by a major storm or something and  
10 insurance coverage was not enough to get them back into  
11 operation and they were not going to be able to function  
12 as a 911 center that we'd step in and try to help them.  
13 Which is kind of what the Board was set up to do.

14 You've heard Staff's recommendation on  
15 Policy 46. What's the will of the Board?

16 MEMBER ARCHER: Mr. Chairman, the --  
17 it is also here that this will end June 30, 2014, so  
18 this is just for this fiscal year and then it stops; is  
19 that correct? Unless the Board votes to move it?

20 MS. QUESTELL: Well, that was the key --  
21 was that the door was left open. If the Board wanted to  
22 continue it, we would put it on the agenda next year and  
23 have you vote to continue it or not.

24 CHAIR PORTER: Basically a stop gap  
25 measure for right now until we can get something worked

1 out.

2                   MEMBER LOWRY: Well, the whole thing I  
3 was thinking was the districts -- we're requiring the  
4 districts to increase their landline rates -- I think  
5 that's correct.

6                   But that -- well, if that's -- in your  
7 case where the district has held the rate down, from  
8 what -- a couple of people have called me and really --  
9 I guess didn't like the policy -- was that they're going  
10 to have to increase their rates in order to get the  
11 money and that that's requiring the landline guys to  
12 make up the difference that Charter created, and they  
13 didn't think that was right at all. Not saying that we  
14 can do anything different, but I --

15                   CHAIR PORTER: Right. I think the thing  
16 that they looked at is in, you know, these instances  
17 where it's a local district issue that they try to make  
18 up the money first. And then if they couldn't, then the  
19 state board would be the last option that they go to.

20                   But I know exactly what you're saying.  
21 My district -- we had to raise our business rate up to  
22 the max, and it was the only rate that we didn't have up  
23 to the max, just to try to cover the Charter loss that  
24 we were going to have. But that was the only option  
25 that we had at the time.

1                   So, yes, I can see both sides of that.  
2 It's a good argument.

3                   MEMBER LOWRY: Not too far into the  
4 future that won't be there anyhow.

5                   MEMBER ARCHER: And I'm thinking on the  
6 lines of Ike's -- of what he's talking about, too.  
7 Because if this is gone in a couple or three years  
8 you're going to punish the people with landlines for  
9 three years on something that can possibly end this  
10 fiscal year just to cover this fiscal year.

11                  CHAIR PORTER: True.

12                  MS. QUESTELL: I think that the  
13 committee really kind of felt like charity begins at  
14 home and that before coming -- since the Board doesn't  
15 have jurisdiction over landlines, really -- that's a  
16 local issue -- that a district should try to address it  
17 locally before they came looking for assistance from the  
18 State. I think that was pretty much the reasoning.

19                  MR. SUTTON: It's very similar to the  
20 problem you have with your decrease in landlines  
21 regardless of carrier. A lot of districts come to the  
22 Board for an increase in their landline fees because the  
23 number -- the sheer number of landlines has gone down,  
24 and so to make up that difference they have to raise the  
25 landline amount on the remaining customers to sustain

1 revenue. And this is similar to that.

2 MEMBER ARCHER: But that is something  
3 that is somewhat measurable from year to year. This is  
4 something that happened overnight.

5 MR. SUTTON: Right. Which is why I  
6 believe that the committee recommended that the Board  
7 actually take some action so that you're not left just  
8 with that option of raising your rates like Putnam did.

9 You have a fallback where you can  
10 actually come to the Board and say, look, this is  
11 basically a catastrophic occurrence that has happened to  
12 our district and our remedy of simply raising our  
13 landlines is not going to cover the entire loss.

14 MEMBER ARCHER: But we're still talking  
15 about something that's almost a one-time deal here --  
16 possibly a one-time deal that just for -- this impact  
17 for this fiscal year. So you're wanting the districts  
18 to go through either a referendum or go through the  
19 steps to raise landlines just for something that's going  
20 to be -- possibly a one-time --

21 CHAIR PORTER: And it possibly could be,  
22 but unless there's some legislation that passes in the  
23 next General Assembly that changes the way we do 911 --  
24 with the rates or whatever -- if that doesn't pass, then  
25 it could be a -- next year the same problem is going to

1 be there.

2                   MEMBER ARCHER: It can be from other  
3 companies, too, that it's going on. But, if not, at  
4 least the districts that this happened to will know --  
5 that they're planning for it. They'll know this money  
6 is gone and it's going to be handled a different way,  
7 which the one-time deal here for them could get -- at  
8 least get them over the hump until -- so they could do  
9 some planning for that loss.

10                   CHAIR PORTER: And if Charter had given  
11 us some notice -- that's what really aggravated me. I  
12 mean, I thought the way that they handled it was totally  
13 inappropriate and to -- for -- the way for you to find  
14 out that your rates went down is to get your check and  
15 it's cut in half. That's --

16                   MEMBER ARCHER: Well, they didn't change  
17 anything in your home --

18                   CHAIR PORTER: They didn't change  
19 anything. Everything was still operating.

20                   MEMBER ARCHER: They were giving them a  
21 landline rate, then all of a sudden they decide that  
22 there's something else -- and they didn't change  
23 anything. I don't see how they could do --

24                   CHAIR PORTER: All they did was change  
25 the name of the little company -- they created a new

1 company and saying that it's VoIP, yet they're still  
2 using the same equipment. Everything is identically the  
3 same in my county. Nothing has changed.

4 MEMBER ARHCER: Right.

5 CHAIR PORTER: Which I don't think is  
6 right.

7 But Curtis has worked on that. And  
8 we've done letters to them and so forth. And I think  
9 short of trying to do some legal action, I don't know  
10 what else we can do.

11 MEMBER ARCHER: Where I'm thinking --  
12 and then I'll let someone else talk. I'm not for the  
13 part on -- and, Ike, I don't know if you wanted to talk  
14 about this. I don't mean to step over what your concern  
15 was in the beginning, but I would not be for the  
16 landline increase since this is a one-time deal.

17 I would also be on the line of saying  
18 that I would not be for extending it past this fiscal  
19 year because all the districts, including mine, yours --  
20 I believe you're impacted by this, too. And several  
21 people out there they would -- at least we would be able  
22 to plan for the loss now.

23 So that's where my thinking is on this.

24 CHAIR PORTER: It's a good point.

25 MEMBER LOWRY: Another issue, three

1 districts have contacted me -- and this goes -- an issue  
2 that we've been talking about a couple of years now.  
3 They've got the money in their savings to cover the  
4 shortfall to just take it out of here and put it over  
5 here in the budget and go on. But they're not allowed  
6 to do that, and that's got them very frustrated.

7                   They say they don't need to come to the  
8 Board or anybody else for money. They've got their own  
9 money, but they can't use it. They feel -- one of them  
10 feels that we're holding them down, that this rule we  
11 should change. I know that's probably another issue on  
12 a totally different subject, but --

13                   MS. QUESTELL: But they can use it. It  
14 just won't affect the negative change in net assets.  
15 That's they're bottom line. They can always access  
16 their reserves.

17                   MEMBER LOWRY: They can take it out of  
18 the reserves and put it in the budget.

19                   MR. SUTTON: They can't put it in the  
20 budget.

21                   Jim, may want to speak to this. Because  
22 it's always counted as revenue when they put it into  
23 their reserves, but they can use it to pay for things.

24                   MEMBER LOWRY: They don't know how to  
25 use it for the shortfall.

1                   MR. BARNES: The cash that would be used  
2 to pay the other expenses of operation for the district  
3 for the particular year -- this year that's going on --  
4 that cash at the end of the year would exceed the  
5 revenue coming in.

6                   So at the end of this year the adjusting  
7 entry from the county perspective would be that there  
8 would be a negative change in net assets for this year's  
9 operations, and that negative change would be applied  
10 against the reserves -- or the total assets of the  
11 facility.

12                   So, in essence, they are using it. You  
13 can't really put it as revenue in your projected budget,  
14 but you can explain to each of the boards that you're  
15 going to go in the hole from your operations and that  
16 that money is in your CDs or in your reserves and it is  
17 there available to be used for that negative change that  
18 you're going to have.

19                   So you don't actually move it, but at  
20 the end of the year the results are that the money in  
21 the reserves will be decreased.

22                   CHAIR PORTER: Still going to have  
23 negative retained earnings, though, as far as you --  
24 you're going to -- two years of those, then you're going  
25 to be on the list for --

1                   MEMBER ARCHER: That's what they don't  
2 like.

3                   CHAIR PORTER: It makes us look like  
4 we're distressed when we're really not. It's just --

5                   MEMBER LOWRY: When you come up on that  
6 list one year the business community looks at you as,  
7 hey, you guys messed up; you better make some changes.

8                   That's the big issue that most  
9 districts -- well, some districts have that they don't  
10 want that image. Looks like they're --

11                  CHAIR PORTER: -- mismanaging.

12                  MEMBER LOWRY: Yes. Blackballed or  
13 whatever.

14                  I don't know any -- I tell them to call  
15 you.

16                  (Laughter)

17                  MR. SUTTON: But it is important to  
18 remember, though, those are accounting standards. Those  
19 are not rules that were sent down by this board or  
20 enforced by this board.

21                  MEMBER LOWRY: I understand that, but  
22 they don't.

23                  MR. SUTTON: I know. That's why I'm  
24 trying to make it clear in an open meeting.

25                  MEMBER LOWRY: Cities and counties don't

1 do that. That's the problem. I mean, they do it, but  
2 they do it under --

3 MR. SUTTON: It's --

4 MEMBER LOWRY: It's spread out so far.

5 MR. SUTTON: Right. Similar to the  
6 depreciation issue. Most 911 equipment is very  
7 expensive and depreciates over five years; whereas,  
8 cities and counties have bridges and roads that  
9 depreciate over --

10 CHAIR PORTER: -- 50 or 100 years.

11 MR. SUTTON: -- decades.

12 CHAIR PORTER: Other questions or  
13 discussion?

14 MEMBER SMITH: I just -- my thought with  
15 regard to the policy, I'm comfortable with the first  
16 item there -- (a) that we -- sounds similar to what we  
17 do with rate increases. We want to ensure -- and I  
18 think our -- we're charged with the responsibility of  
19 this board to make sure that there's uniform statewide  
20 911 service.

21 And Item (a) -- which I don't need to  
22 read, but it speaks to the issue of maintaining the --  
23 any district that may want to take advantage of this  
24 will need to -- just as if it were a rate increase --  
25 provide the Staff with information that it'll have a

1 negative impact on the delivery of service.

2                               And from a historical standpoint -- and  
3 while I wasn't on the Board at the time this occurred --  
4 I know that in the past this board has stepped up to  
5 situations involving a district that was certainly  
6 entirely different from this matter, but it was a  
7 situation through mismanagement that was eventually an  
8 issue taken care of by the Comptroller's Office and the  
9 audit.

10                              But this board stepped up and made sure  
11 that the citizens of that district were not placed in  
12 jeopardy of the doors being closed.

13                              I believe that was a county up in your  
14 district, Mr. Chairman.

15                              CHAIR PORTER: It sure was.

16                              MEMBER SMITH: I'll let them be unnamed,  
17 but I don't think we're necessarily getting into the  
18 ditch with this situation. I think it's obviously  
19 unprecedented and we want to make sure that first and  
20 foremost that there's no negative impact to citizens of  
21 the state of Tennessee in delivering 911 service.

22                              MEMBER ARCHER: That doesn't necessarily  
23 mean that just because you're going to lose \$20,000 I'm  
24 going to ask for \$20,000. So you may lose some revenue,  
25 but as long as you're in the black, you know, you don't

1 get it. So it's going to be tied to what you -- what  
2 the Staff deems as -- whatever language was there  
3 showing why I need it. It's not just to replace money I  
4 lost.

5 CHAIR PORTER: Right. Let me ask, with  
6 the issues that you-all have brought up out of 1(a);  
7 (b); (c); and numbers 2; 3; and 4, which ones can we  
8 agree on or which ones do we not agree on?

9 You want to try to change the policy, or  
10 do you want to -- someone want to make a motion to  
11 approve it? Or what are you-all looking at doing here?

12 MEMBER NEWTON: Mr. Chairman, I know  
13 this hasn't been the practice of the Board, but I  
14 wondered -- and particularly in light of this discussion  
15 that I'm hearing now -- if it might be the will of the  
16 Board to perhaps solicit comments from the local ECDs  
17 and get their feedback, so at least they're feeling  
18 heard and maybe -- you know, some ideas for long-term  
19 solutions instead of them feeling like we're imposing a  
20 situation on them.

21 Which -- I mean, I understand both sides  
22 of the story, as well, as far as what's reality and what  
23 is being communicated. But I just thought I'd throw  
24 that out there to see if that's something the Board  
25 would want to consider.

1 CHAIR PORTER: And I think that's good.  
2 Of course, the districts had the opportunity to come to  
3 the committee meeting that we had and voice their  
4 opinion.

5 They also had the opportunity to come  
6 here today and voice their opinion in the first  
7 15 minutes. There were some that were at the committee  
8 meeting that were voicing their opinions, I think.

9 That's a good suggestion, and that's up  
10 to the Board, if that's what you-all want -- to push it  
11 back or whatever you want to do.

12 And I'm sorry with everybody over here,  
13 but I had my head turned over here the whole time. I'm  
14 sorry for that, Rachel.

15 You-all give me some kind of -- which  
16 way you want to go here?

17 MEMBER ARCHER: I would personally think  
18 that the -- it would need to show that you're going to  
19 be in a negative situation, not just negatively impact  
20 you. I think you need -- I think you probably need on  
21 your books that it's going to show that you're going to  
22 end up in the negative on your audit.

23 MS. QUESTELL: Well -- but that means  
24 that you could be in a situation where you're really  
25 short and really having problems, but you've got to wait

1 until your audit comes out before that would show up.

2 MEMBER ARCHER: No. But you'll know --  
3 I mean, I'm going to know that through the year -- you  
4 know, where my money's at.

5 MEMBER QUESTELL: But negative changes  
6 in net assets for financial distress purposes have to be  
7 shown on your annual audit, and I just --

8 MEMBER ARCHER: Wouldn't the districts  
9 know through the months? I mean, they're doing their  
10 financial reports -- that they're going to be negative.

11 CHAIR PORTER: I guess one thing I was  
12 thinking about is from looking at the list of the  
13 districts that are going to be affected, I don't think  
14 we're going to have that many that it's going to  
15 negatively impact 911 service.

16 I think there's two or three that it  
17 could -- it's going to take a big lick out of, but I was  
18 thinking that maybe if we wanted to do something --  
19 create that list and see how many districts there are  
20 that are going to ask for it and then have them come --  
21 have that list -- not necessarily that the districts  
22 have to come to the board meeting, I'm not saying that.  
23 But at least have Staff work with them to where at the  
24 next meeting we've got the list of districts that are  
25 going to request assistance and see how much it is and

1 we could do that.

2 But I'm looking for some kind of  
3 guidance as to which way you-all want to go.

4 MEMBER SMITH: I guess my simple  
5 question would be, Mr. Chairman, would there be any  
6 immediate risk or harm if we were to defer this until  
7 our next meeting to take the course of action you just  
8 suggested?

9 MS. QUESTELL: I don't know of any, but  
10 I'm noticing Jim's wanting to say something. He's  
11 really been following this issue very closely.

12 MR. BARNES: Basically, there is no harm  
13 to delaying this. Probably the payments would not have  
14 any -- wouldn't be able to get paid before December or  
15 something, at the earliest, and that's depending on how  
16 the paperwork and everything came in. That would  
17 still -- I mean, if it came in before May, as long as it  
18 came in this fiscal year, the resources would be  
19 available to the districts who are requesting them.

20 I think my comment here is that this  
21 entire thing is permissive. It's not we're going to  
22 automatically send everybody out half of the money. If  
23 they ask for it, if they feel like they need it -- the  
24 entire policy is designed that they send in the  
25 documentation and we will pay half.

1                   So that was my comment, it's totally  
2 permissive. It's up to the districts themselves to make  
3 that decision right now the way I read this policy.

4                   MEMBER NEWTON: And, Mr. Chairman, I do  
5 like your suggestion of creating a list of districts  
6 that would be impacted. I think that would be good  
7 information to have.

8                   MS. QUESTELL: I think we have that  
9 already. It's just --

10                  CHAIR PORTER: We have a list, just  
11 not --

12                  MR. BARNES: We have a list of districts  
13 that reported to us that they said they would be  
14 impacted. I don't have it with me today, but --

15                  CHAIR PORTER: It's not necessarily  
16 going to list who's going to be impacted. We just don't  
17 know how many out of those it's going to critically  
18 impact to the point that they'd have to come and ask for  
19 money. That'll be nice to --

20                  MEMBER TURNBOW: It'll also be nice to  
21 know how many of those districts -- since there has been  
22 discussion on the rates -- of how many are already at  
23 the max or below the max. That would be something else  
24 to consider.

25                  MEMBER LOWRY: I make a motion that we

1 defer this to the next meeting.

2 MEMBER ARCHER: Second.

3 CHAIR PORTER: We have a motion by  
4 Mr. Lowry and a second by Mr. Archer that we defer this  
5 action until the next meeting.

6 Any discussion? More discussion?  
7 Anything that you want to -- Staff to have prepared  
8 before the next meeting? Do we want this list of  
9 districts of the ones that would want to ask for  
10 assistance and all that stuff by the next meeting or  
11 not? We want them to prepare anything?

12 MEMBER ARCHER: I think that'll be a  
13 good idea. But I also think we ought to send it to  
14 those districts saying what -- you know, ask them for  
15 comments about how this is going to affect them.

16 CHAIR PORTER: Find out if they are  
17 going to ask for it.

18 MEMBER LOWRY: Have we calculated -- I  
19 guess this would be a question to Jim -- how much  
20 impact -- total impact that it's going to have on all  
21 the districts after we switch over and send back the  
22 VoIP money -- I guess that's what we call it -- versus  
23 what they've lost to see what the real loss is?

24 MR. BARNES: That's already been  
25 calculated into the current list.

1                   MEMBER LOWRY: That would help us. We  
2 would know what they really have lost and haven't lost.

3                   CHAIR PORTER: Jim's got that, so  
4 we're -- there's a couple or three districts with some  
5 pretty large amounts, \$200,000-plus.

6                   One in East Tennessee, wasn't it?

7                   MS. QUESTELL: Blount County.

8                   CHAIR PORTER: Blount.

9                   There were a couple that were pretty  
10 big.

11                  MEMBER SMITH: I would just add this  
12 comment, Mr. Chairman. This did not affect my district,  
13 but I have a great deal of empathy for those that it did  
14 affect. And I sit here today feeling somewhat like they  
15 must have felt when that occurred somewhat out of the  
16 blue.

17                  I certainly acknowledge the work that's  
18 been done by Staff and the committees to thoroughly  
19 research this and give us the best advice possible, but  
20 I think we may be better serving everybody if, in fact,  
21 we do defer this until our next meeting for a chance for  
22 a little further information and study.

23                  MEMBER TURNBOW: Mr. Chairman, can I ask  
24 for a recommendation, please?

25                  CHAIR PORTER: Sure.

1                   MEMBER TURNBOW: I echo your anger in  
2 the no notice from Charter. Can we ask Staff to reach  
3 out to other carriers not -- just as a courtesy that if  
4 they have a planned change over to this extent that they  
5 would notify us in enough time for us to get the word  
6 out to the districts?

7                   CHAIR PORTER: Lynn, is that something  
8 we can do?

9                   MS. QUESTELL: Sure.

10                  MEMBER LOWRY: One other short comment.  
11 I think back a few years ago Comcast did something very  
12 similar to this. I'm not sure we even acknowledged or  
13 got involved at that time. I don't remember. We might  
14 have. I'm not sure.

15                  MR. SUTTON: No, I don't think that the  
16 Board took any action when Comcast moved some of their  
17 customers from landline to VoIP.

18                  CHAIR PORTER: I don't think it was an  
19 "all move"; it was just a --

20                  MR. SUTTON: I think it was just some  
21 isolated incidents.

22                  CHAIR PORTER: Yeah, I don't think it  
23 was -- not like this was.

24                  Okay. Any other --

25                  MEMBER SMITH: I call for the question,

1 Mr. Chairman.

2 CHAIR PORTER: Okay. We have a motion  
3 on the floor to defer Item number "i" and "ii" -- which  
4 is Policy Number 16 -- until our next meeting.

5 All in favor of that motion say "aye."

6 BOARD MEMBERS: Aye.

7 CHAIR PORTER: All opposed, like sign?

8 (Pause)

9 CHAIR PORTER: Motion carried.

10 Next item on the agenda is to Consider  
11 Amending Policy Number 16, which Involves Financially  
12 Distressed Districts to Require Distressed ECDs to  
13 Obtain TECB Approval to Enter into Loans or Refinancing  
14 Agreements that are over \$5,000.

15 Lynn?

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

17 This is basically just taking care of a  
18 hole in our present rule. As it is districts that have  
19 three years of negative changes in net assets that is  
20 shown by their annual audits that are deemed financially  
21 distressed by the district, by law, come under the  
22 supervision and evaluation of the TECB.

23 And one of the rules that the Board has  
24 put down is that before a distressed district can spend  
25 over \$5,000 they need to get the Board's permission, and

1 that has worked well. As you-all may know, of the 100  
2 districts only two are financially distressed and all  
3 predictions are that they will come out of distress by  
4 the time their annual audits are issued this year.

5                   But we realize that there's nothing in  
6 the current rule that would prevent a district from  
7 entering into a loan agreement for over \$5,000 without  
8 notifying the Board. We were just trying to plug that  
9 hole. All we would be doing right now -- Policy 16 says  
10 before authorizing, making, or entering into an  
11 obligation to obtain goods or services with a cost in  
12 excess of \$5,000 the district has to check with the  
13 TECB. This just adds "or incur debt of in excess of  
14 \$5,000" just to kind of make sure that all the bases are  
15 covered.

16                   CHAIR PORTER: You've heard Staff's  
17 recommendation of amending Policy Number 16 to add the  
18 part where they can't borrow money or do any refinancing  
19 agreements over \$5,000 without getting TECB's approval  
20 just like they do on new purchases.

21                   What's the will of the Board?

22                   MEMBER TURNBOW: I make the motion.

23                   MEMBER BLANTON: Second.

24                   CHAIR PORTER: Motion by Mr. Turnbow,  
25 and second by Ms. Blanton.

1 Any discussion?

2 (Pause)

3 CHAIR PORTER: Hearing none, all in  
4 favor of the motion say "aye."

5 BOARD MEMBERS: Aye.

6 CHAIR PORTER: All opposed, like sign?

7 (Pause)

8 CHAIR PORTER: Motion carries.

9 Next and final item on the agenda is to  
10 Consider Proposal by Nominating Committee for Vacancy on  
11 Policy Advisory Committee.

12 Lynn?

13 MS. QUESTELL: This is the second time  
14 that this has happened. First, it was with Steve Smith  
15 that members of our Policy Advisory Committee have been  
16 appointed to the Board. And in this situation Jimmy  
17 Turnbow was kind enough to serve on the Policy Advisory  
18 Committee, and as you-all know, he was just appointed to  
19 the Board.

20 The Nominating Committee unanimously  
21 nominated Cassie Lowery, who is the assistant director in  
22 Rutherford County, to take Jimmy Turnbow's place on the  
23 Policy Advisory Committee. Cassie is extremely  
24 qualified. She has been employed at the Rutherford  
25 County Emergency Communications District since 2000.

1                   She's currently assistant director, but  
2 she's also served as the telecommunicator,  
3 telecommunicator supervisor, TAC, training instructor,  
4 system administrator, and MSAG database administrator.  
5 She's an ENP -- Emergency Number Professional -- and the  
6 secretary of the Tennessee Emergency Communications  
7 Board.

8                   So Staff would ask the Board to consider  
9 the recommendation of the Nominating Committee to  
10 appoint Cassie Lowery to the Policy Advisory Committee.

11                   CHAIR PORTER: What's the will of the  
12 Board?

13                   MEMBER LOWRY: So move.

14                   CHAIR PORTER: We have a motion by  
15 Mr. Lowry.

16                   Do I have a second?

17                   MEMBER TURNBOW: Second.

18                   CHAIR PORTER: And a second by  
19 Mr. Turnbow that we appoint Cassie Lowery to replace  
20 Jimmy on the Policy Advisory Committee.

21                   Is there any discussion?

22                   (Pause)

23                   CHAIR PORTER: Hearing none, all in  
24 favor of the motion say "aye."

25                   BOARD MEMBERS: Aye.

1 CHAIR PORTER: All opposed, like sign?

2 (Pause)

3 CHAIR PORTER: Motion carried.

4 I'll probably warn anybody that if you  
5 don't want to serve on this board I probably wouldn't  
6 volunteer to serve on the Policy Advisory Committee the  
7 way it's going.

8 (Laughter)

9 CHAIR PORTER: All right. Any other  
10 business that needs to come before the TECB today?

11 MS. QUESTELL: I would just like to  
12 mention that a member of the Nominating Committee,  
13 Tressia Barksdale, has retired. So she is no longer  
14 going to serve on the Nominating Committee.

15 And if anyone is interested in taking  
16 her place -- and she served as the West Tennessee  
17 representative -- if you would please contact the office  
18 or contact the other members of the committee, which are  
19 Buddy Shaffer or Mo Brotherton. If you're interested  
20 let them know.

21 CHAIR PORTER: Any other business?

22 MEMBER SMITH: Mr. Chairman, I'd like to  
23 remind everyone that the Tennessee Emergency Member  
24 Association conference will be in Murfreesboro next  
25 month. I assure you that the appointment we just made

1 will have the welcome mat out, and we hope to see  
2 everyone there to join us at the conference.

3 CHAIR PORTER: You'll have our police  
4 escorts ready at the county line?

5 MEMBER SMITH: Depends on the background  
6 checks.

7 (Laughter)

8 MEMBER LOWRY: Well, 460 registered so  
9 far as of Monday.

10 CHAIR PORTER: Good.

11 The one thing I will say, when I look  
12 back over all the years -- and I don't want to talk  
13 about how many that's been -- but I've been in 911 and  
14 going to the TENA conferences there's certain years that  
15 you look back and say those were important conferences.

16 To me this is probably going to be one  
17 of the most important conferences we've had in a long  
18 time -- if not the most important -- with all that's going  
19 on, trying to work out some legislation to fix the 911  
20 funding issue. I think it's a very important conference  
21 to go to each year anyway, but I think it's extremely  
22 important this year. So I hope we have a large group and  
23 a lot of discussion and hopefully can come together with  
24 some agreement on what we -- we can all get together and  
25 support and try to fix our problems.

1 Any other business or announcements?  
2 (Pause)  
3 CHAIR PORTER: I'll entertain a motion  
4 to adjourn.  
5 MEMBER ARCHER: Motion.  
6 MEMBER TURNBOW: Second.  
7 CHAIR PORTER: Motion to adjourn by  
8 Mr. Archer and second by Mr. Turnbow.  
9 All in favor say "aye."  
10 BOARD MEMBERS: Aye.  
11 CHAIR PORTER: All opposed, like sign?  
12 (Pause)  
13 CHAIR PORTER: Motion carried.  
14 (End of the proceedings.)  
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REPORTER'S CERTIFICATE

STATE OF TENNESSEE )  
COUNTY OF MONTGOMERY )

I, Tracy Wilkes, court reporter and  
notary public for the state of Tennessee,

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; and  
the foregoing proceedings constitute a true and correct  
transcript of said proceedings.

I FURTHER CERTIFY that I am not related to  
any of the parties named herein, nor their cancel, and  
have no interest, financial or otherwise, in the outcome  
of events of this action.

IN WITNESS WHEREOF, I have hereunto affixed  
my official signature and seal of office, this the 28th  
day of October, 2013.

Tracy Wilkes, LCR #366  
Licensed Reporter and Notary Public  
State of Tennessee

My License Expires: June 30, 2014.  
My Commission Expires: June 16, 2015.