

**ORLEANS PARISH COMMUNICATION DISTRICT
BOARD OF COMMISSIONERS**

Regular Board Meeting

Tuesday, June 13, 2017 at 10:00 am
Chief Warren McDaniels PSAP Board Room
118 City Park Avenue
New Orleans, LA 70119

I. CALL TO ORDER

OPCD Board Chair Terry Ebbert called the meeting to order at 10:03 am.

II. ROLL CALL

Ms. Ausetua AmorAmenkum called the roll. The following Board members were present:

Board Chair Col. Terry Ebbert; Dr. Jim Aiken (proxy for Dr. William Masterton); Lt. John Stelly (proxy for Capt. Donovan Archote); Lt. Col. Timothy Chastain (proxy for Major Glenn H. Curtis); David Lessinger (proxy for Chief Administrative Officer Jeff Hebert); NOEMS Director Dr. Jeffrey Elder.

NOFD Deputy Supt. Roman Nelson (proxy for NOFD Supt. Timothy McConnell) and Dr. Marsha Broussard arrived shortly after roll call.

Vice Chair Dr. Brobson Lutz, Supt. Michael Harrison and NOHSEP Director Aaron Miller were absent.

III. ADOPTION OF BOARD MINUTES FROM MARCH 14, 2017

Board Chair Ebbert called for a motion to adopt the minutes from the OPCD Board meeting held March 14, 2017. Lt. Col. Chastain motioned to adopt the minutes as submitted, and David Lessinger seconded the motion. Board members unanimously adopted the minutes.

IV. FINANCIAL REPORT

A. AUDIT REPORT FY 2016

Michelle Cunningham, partner and auditor from Duplantier, Hrapmann, Hogan and Maher LLP was hired to audit the financial statements of the OPCD. She presented a draft of the overview of the financial statements and the legislative audit results. She told the Board that she does not anticipate any changes but she is awaiting a confirmation of information from the City in order to release the final report. Ms. Cunningham advised the Board that it is the responsibility of OPCD management to prepare the financial statements in accordance with generally accepted accounting practices. It is also management's responsibility to establish and maintain adequate records and ensure that there are effective internal controls to safeguard OPCD's assets. OPCD management is also responsible for the selection and appropriate use of accounting policies.

It is the auditor's responsibility to insure reasonable but not absolute assurance of detecting material misstatements in the financial statements. When an opinion is given in an audit, the auditors are stating that OPCD's financial statements are materially safe; the auditors are not stating that the statements are 100% accurate. Ms. Cunningham stated that she feels with all the testing that was conducted, the OPCD financials are materially accurate. She stated that the auditors are also responsible for gaining an understanding of OPCD's internal controls to determine what auditing procedures will be performed. The auditors look at what controls are in place to process transactions and safeguard OPCD's assets. She stated that it is also the auditor's responsibility to evaluate the appropriateness of the accounting policies and the reasonableness of the accounting estimates. The auditors also evaluate the overall presentation of the financial statements and evaluate any identified control deficiencies or material weaknesses. Ms. Cunningham advised the Board that OPCD received an unmodified opinion on the basic financial statements, which is the highest and cleanest opinion you can obtain in an audit. There was nothing that could not be audited, nor anything that they were asked not to audit. The financial statements were materially stated and had supporting documents.

Ms. Cunningham stated that while looking at internal controls, the auditors did identify some significant deficiencies and material weaknesses regarding cash transactions. There were bank statements that were not reconciled on a timely basis, and outstanding checks were listed on reconciliations that had previously been voided. There was no review of cash reconciliations. The checks that had been voided in the accounting system cleared the bank under a different check number. Additional testing was done by the auditors to ensure that the cash and the transactions were materially stated.

Significant deficiencies were also noted regarding controls for payroll. There were duplicate postings of payroll expenses, and documentation supporting promotions didn't specify the pay rate and effective date of promotions. This resulted in some overpayment and underpayment of wages. Payroll reports were not reviewed and approved by an additional level of management. In addition access to the payroll system was not limited only to the payroll manager. The supporting materials for approval of sick and annual leave and leave without pay were not properly maintained. There was a lack of segregation of duties related to the funding of payroll and the reconciliation of cash. As a result of the significant deficiencies, additional testing procedures were performed by the auditors to confirm that the payroll financials were materially stated. Ms. Cunningham stated that the audit found no violations of laws or regulations that had a direct material effect on the payroll financial statements.

OPCD was issued a management letter comment which contained additional comments that will bring more efficacies and better controls to OPCD. This action applies to those items that need to be communicated to management of things discovered during the audit that were not egregious enough to warrant a significant deficiency in OPCD's internal controls or material noncompliance. These items included an employee reimbursement policy (OPCD does not have one), and a credit card purchasing policy (lack of significant documentation, receipts not maintained, and no approval for travel submitted). On the public bid law there were a few instances of no documentation for the selection of a vendor who was not the lowest bidder. There was also a computer purchase that was not put out to bid but should have been because of the high dollar amount.

Board Chair Terry Ebbert asked what suggestions the auditors had for OPCD management to avoid receiving future management letter comments. Ms. Cunningham stated that this was an unusual year. She noted that OPCD has never had these types of occurrences and the problems flow from the 2016 consolidation of City agencies under OPCD. Board Chair Ebbert asked what the auditors were waiting for from the City in order to submit the final audit report.

Ms. Cunningham reminded the board that as a part of the new CEA, OPCD was required to pay the City of New Orleans \$500,000. It is her understanding that the City waived that amount to offset the costs associated with consolidation. She is waiting to receive confirmation of the waiver and the confirmation is needed for inclusion in the financial statements to support that it is not being reported as a material liability. Col. Sneed asked if the January Board minutes were sufficient to document the City waived the amount to offset consolidation expenses. Ms. Cunningham stated that she would research it further. Deputy CAO David Lessinger stated that he would work to get the required letter. Dr. Elder asked if there was a plan to address the issues raised that warranted the management letter. Executive Director Gordon stated some of the issues have already been resolved and will be remitted to the auditor by June 30. Executive Director Gordon plans to hire a professional organization to review OPCD policies and procedures. Board Chair Ebbert commented that it is clear that the workload has increased significantly and hiring additional assistance will help resolve those issues. A short discussion continued regarding the implementation and enforcement of policies and procedures.

B. 2016 CITY FUNDING REPORT

Board Chair Terry Ebbert recognized City Service & Innovation Manager Jonathan Wisbey. Mr. Wisbey stated that OPCD staff requested he re-examine the 2016 budget to determine where discrepancies existed regarding budget versus actual. He reminded the Board in 2015 the OPCD budgeted \$12.3 million dollars to combine OPCD operations and administration for 2016. The good news is that OPCD spent only \$11.9 million in 2016. However, OPCD's actual revenues for 2016 were only \$11.3 million, which resulted in a \$600,000 deficit. The Board had authorized \$1.5 million to be moved from OPCD reserves to the 2016 budget. The revenue was not used and caused a gap. On the expenditure side, OPCD is actually spending less than expected. However \$700,000 more was spent on personnel expenses. The issue is that OPCD is in an operational deficit; OPCD is requesting the Board re-authorize the use of the reserve funds to offset the deficit.

1. Resolution 17-02

Executive Director Gordon explained that this resolution would re-authorize the funds that were approved by the Board in 2015 to be moved from the capital fund to the operational budget to offset the deficit, and to provide documentation of this action. There was a discussion about the Louisiana Asset Management Fund, which is where the funds will be moved from to offset the deficit. Financial Officer Denise Clayville advised the Board that this is an investment group that only has government entities for clients and investments yield a higher percentage than at the bank. Another discussion continued as to why the reserve funds were not used to avoid the deficit. Ms. Clayville recommended that the funds should not be moved until necessary.

Board Chair Ebbert called for a motion for adoption of Resolution 17-02. A motion was made by Dr. Elder; it was seconded by Lt. Col. Chastain and unanimously adopted by the Board.

C. 2017 BUDGET OUTLOOK

Mr. Wisbey gave an overview of the budget outlook that includes City funds and OPCD funds required for consolidation. He advised the Board that the City made a commitment to pay out former City employee terminal leave, sick, and annual leave to OPCD for those costs as needed. A record of former City employees' leave was kept when they transferred over to

OPCD. This amount totals \$160,000 which is due to employees when they separate from the OPCD. Mr. Wisby proposed that OPCD bill the City to get reimbursement on terminal leave costs when needed. The City had committed to reimbursing OPCD on those monies.

He further stated that the CEA should be changed to reflect the maximum payable amount for consolidation costs to OPCD. He recommends that he and the OPCD staff continue meeting on a monthly basis to monitor the budget and give Board members a brief update at the Board quarterly meeting. He also recommended that employing an outside company would be helpful to strengthen the financial controls at OPCD. Board Chair Ebbert concurred with the recommendations and feels this will allow the Board to not be surprised for the 2018 budget. Executive Director Gordon thanked Mr. Wisbey for his assistance.

1. Resolution 17-03 (Hire a Company to Establish Financial Policies, Processes, and Training)

Board Chair Terry Ebbert asked for a motion to adopt Resolution 17-03 which will allow the OPCD to hire an outside professional company to assist with the development of financial policies, processes and training. This resolution is a recommendation from the auditors. General Counsel Juan Lizarraga advised that there is no legal conflict if OPCD hires the same firm that performs the audit. A discussion continued regarding hiring Duplantier, Hrapmann, Hogan and Maher LLP or a different accounting firm. Professional services do not have to be let out for bid. Executive Director Gordon stated that he prefers to use the existing accounting firm because they are familiar with OPCD's operations, they know what is needed and they can begin immediately. Estimated costs for the proposed 130-160 hours of work is \$16,000 - \$19,000. City Assistant CAO David Lessinger agreed that hiring an outside company would be efficient, but he believes that it is good practice to have a different inside team and outside team. He thinks that this is a best practice. A discussion continued regarding creating a Request for Proposal. Financial Officer Clayville advised that an RFP is not necessary because the costs are under \$30,000. She suggested that developing a document with the request and the scope of work (including the findings of the auditor) would be sufficient. A motion was made by Ms. Broussard to direct the staff to go out and solicit proposals and seconded by CAO David Lessinger; Resolution 17-03 was unanimously adopted.

D. AMEND 2017 BUDGET TO MOVE \$30,000 FROM CAPITAL RESERVE TO PROFESSIONAL SERVICES – LEGAL AND CONSULTING FOR ARBITRATION OF ARCHITECT GENERATOR CLAIM

Executive Director Gordon advised the Board that \$50,000 was budgeted last year for 2017 attorney fees. Of that amount, \$30,000 is spent on legal retainer fees for year round use. OPCD's attorneys are currently monitoring the case of a former employee's civil lawsuit against the District which was dismissed, but that former employee is filing an appeal. OPCD also has the civil suit against Sizeler Architects for the oversized generators. OPCD personnel are scheduled for depositions next month and it is set for arbitration November 13-16, 2017. OPCD has already consumed the 2017 budgeted amount and is requesting to move \$30,000 from capital reserves into professional services.

Board Chair Ebbert called for the motion to adopt Resolution 17-05 which adjusts the 2017 budget to allow OPCD to move \$30,000 from capital reserves to professional services. A short discussion occurred regarding when the monies would be needed. Board Chair Ebbert called for the motion to adopt, it was moved by David Lessinger and seconded by Dr. Elder and Lt. Stelly; the motion was unanimously adopted.

E. PRESENTATION OF PROPOSED FY 2018 ANNUAL BUDGET

Financial Officer Denise Clayville stated that the budget preparation is very early this year in order to conform to the City's timeline. If there are any changes please notify her. She noted that OPCD is requesting an additional \$1.2 million in funds over 2017 for Operations (OPS) personnel. Operations Director Shinar Haynes told the Board that this will cover pension, holiday and festival overtime, shift differential and training.

Board Chair Ebbert stated the HR Manager position is presently funded by the City since it was created because of consolidation, but the HR Manager is assigned to manage all OPCD employees. Financial Officer Clayville stated that in the 2018 budget the HR Manager's salary is being moved to the OPCD Admin side of the budget. Executive Director Gordon added the stipulation that the CEA will be adjusted to reflect these changes.

Financial Officer Clayville announced new categories in the budget. Technical Operations will be renamed Infrastructure. This will cover salaries for the Tech Department, telephony and any software maintenance, and has a budgeted amount of \$1.4 million. Renaming this category was necessary to avoid confusion with the 9-1-1 Operations (9-1-1 personnel) and operations relative to OPCD administration. Facilities will continue to reflect costs related to the building and grounds. Facilities have a budget of \$743,000 which includes contracts, supplies, land lease, repair and maintenance. Operations (9-1-1 personnel) are \$425,000, minus a \$54,000 City contribution for insurance, which leaves \$371,000 to cover education, travel, software maintenance and special supplies. Admin is budgeted at \$867,000, which includes the \$500,000 payment to the City; the net is \$367,000.

CAO David Lessinger stated that he understands the position OPCD is in to project a 2018 budget so early in 2017. He is aware that OPCD budget does depend on the City allocation and confirms that the City and OPCD should remain in close coordination and communication.

Board Chair Ebbert asked in what budget was an additional take home vehicle for operations. Financial Officer Clayville stated that it was in the City allocation budget.

Financial Officer Clayville advised the Board that OPCD was asking for less in other expenses outside of personnel costs than in past years. In 2017 we requested \$104,000 but OPCD is now paying for software maintenance and education and not requesting reimbursement from the City for these items.

Board Chair Ebbert called for public discussion. There were no comments.

G. EXECUTIVE DIRECTOR'S REPORT

Juan Lizarraga, OPCD General Council, advised the Board that the billboard project is ready to begin construction. It has been two years, and he believes all the issues have been resolved. Amtrak is issuing the permit for Marco to erect the billboard. Marco will indemnify OPCD and FCBA for any concerns regarding location change and discrepancies in the permitting process. Mike Sherman, on behalf of Marco, addressed the Board and expressed that they were happy that this billboard could assist OPCD with its mission. The billboard will have over 1400 messages a day that OPCD can share. He reconfirmed that during natural disasters OPCD will have free unlimited access to the billboard for public safety messaging.

Executive Director Gordon reported that the OPCD does not have an adequate backup center in the event that AT&T is unable to send 911 calls to the 9-1-1 campus or we are unable to inhabit the 9-1-1 center building. There was an RFP issued for the City's Real Time Crime Center (RTCC) to be located next to the NOPD First District Police Station on N. Rampart Street. Executive Director Gordon would like the Board to consider this as an option to house the 9-1-1 backup center. A short discussion occurred concluding that the Executive Director continue to pursue viable options for a backup center, including approaching the City regarding the construction of the new RTCC.

H. OPERATIONS DIRECTOR REPORT

Operations Director Shinar Haynes gave the Board a review of the past year of 9-1-1 Operations.

- In May of 2016 Operations had 111 employees, 26 declined to be re-hired or retired, which left Operations with 43 vacancies.
- Today we have 142 employees, 19 EMS dispatchers, 27 Police dispatchers and 14 Fire dispatchers. We also had six retirees, promoted 16 supervisors and lost 12 personnel to attrition.
- May 2017 we have 19 new telecommunicators, one telecommunicator II (cross trained as fire dispatcher and police call taker). We also hired a Deputy Director.
- Director Haynes advised the Board that the staffing matrix continues to be 13 call takers on duty for day and 11 for evening. There will always be six dispatchers on duty for both watches. This matrix insures that our call response time remains above standard and that we are able to provide adequate service to first responders. We are aggressively training for more cross trained dispatchers.
- Director Haynes reviewed the noteworthy activities sponsored by OPCD which included 9-1-1 Night Out Against Crime, 9-1-1 Children's Day, Telecommunicator Awards, Mardi Gras, Jazz Festival and the tornado response.
- We continue to meet the NFPA (National Fire Protection Association) call answering standards which require that 95% of all 9-1-1 calls be answered within 15 seconds, and 99% be answered within 40 seconds. Director Haynes remains committed to maintaining staffing levels, cross training to balance out our workforce, and further developing the relationship with the officer liaisons to assist with interagency issues.

Dr. Aiken inquired about call response times on high profile incidents; Director Haynes advised she is working with Police, Fire and EMS to determine which incident types will be reviewed.

1. CoOP PLAN

Director Haynes advised the board that we are working on the final stages of the CoOp Plan (Contingency of Operations Plan). Working on the plan revealed the importance of having a backup center in place. We have added the contingency of shelter in place in the case of political or terrorist unrest.

2. TERT COORDINATION

Director Haynes advised the Board that she has volunteered to be the State Coordinator for the Louisiana TERT (Telecommunication Emergency Response Team). The program was enacted here in Louisiana during the 2016 flood. It was an intra-state effort and the volunteer telecommunicators did not get compensated for their help because there was no MOU in place. TERT is a national program that allows a certified TERT telecommunicator to go outside of their agency and assist other 9-1-1 centers when needed. The State plan has been submitted to State Homeland Security and we are awaiting approval.

I. OLD BUSINESS - RESOLUTION 17-04 HIRING FINANCIAL/HR ASSISTANT

Executive Director Gordon reported to the Board the need for an additional employee to assist with the HR and Financial departments. OPCD Administrative staff is overwhelmed by the additional work required due to consolidation. Executive Director Gordon reported that the new hire will be cross trained to support the Finance and HR departments as an assistant. A short discussion continued about the position. Financial Officer Clayville advised that the position should be funded by OPCD administration operating funds. Dr. Aiken moved to adopt Resolution 17-04 to hire the HR/Financial Assistant. It was seconded by Lt. Stelly and unanimously adopted.

J. NEW BUSINESS

Executive Director Gordon advised the Board that the Roman Capital (RC) building is now available to be renovated for use. He would like to issue a reverse RFP to a commercial vendor to improve the building and they could stay for reduced rent or free until the costs are recovered. Another idea suggested was that OPCD could use the building as an additional bunking area during an emergency activation. Director Gordon will obtain a rough estimate of what a renovation would cost for the Board's consideration. A tour of the RC was available after the conclusion of the Board meeting.

K. ANNOUNCEMENTS

There were no announcements

L. ADJOURN

Board Chair Terry Ebbert called for a motion to adjourn. Dr. Elder motioned to adjourn the meeting, and Dr. Aiken seconded the motion. The meeting adjourned at 12:20 pm.

Respectfully Submitted,



Stephen J. Gordon
Executive Director