



**Cook County
Emergency Telephone System Board**

**March 22, 2024
10:30 a.m.**

ATTENDANCE

Board Members in attendance;

Mr. John Cornier
Mr. Michael Kuryla
Mr. John Matthews
Ms. Tisa Morris
Ms. Elizabeth Ryles

Staff and Guests in attendance;

Mr. Martin Bennett, Executive Director
Ms. Shereen Gamble, Administrative Analyst
Ms. Valerie Rhodes, Director of Support Services
Ms. Bolanle Babatunde, Mitchell & Titus, LLP
Mr. Brent Baccus, Mitchell & Titus, LLP
Ms. Erika Smith, Lauterbach & Amen, LLP
Mr. Steve Litko, Lauterbach & Amen, LLP

Guests in attendance virtually;

Mr. Brian Tracy, State's Attorney
Mr. Vaibhav Amble, Mitchell & Titus, LLP

Executive Director Bennett called the meeting to order at 10:30 a.m.

Attendance was taken.

MOTION TO APPROVE MINUTES

Mr. Matthews made a motion and Ms. Morris made the second to approve the Board meeting minutes of February 23, 2024 as presented.

Roll Call Vote;

Cornier	Yes
Fleming	Absent
Kuryla	Yes
Matthews	Yes
Morris	Yes
Ryles	Yes

Motion carried.

LEGISLATIVE REPORT

LEGISLATIVE REPORT – MARCH 2024

The Illinois House of Representatives and the Senate have been meeting over the last several weeks, although the actual legislative session time has been minimal. The Illinois Senate required all bills to be in committee by March 15th. The House date for committee action is April 5th. Although the committee deadlines are supposed to limit the consideration of legislation after those dates, there are procedural means to consider other bills. The House is meeting March 19, 20 and 21 but will then take an Easter break and will not be back in session until April 2. The Senate has already adjourned until April 2nd. Currently, there are not very many bills which impact the ETSB or the 9-1-1 system. Three bills are of interest:

HB 4460 – This bill provides additional mental health insurance coverage for police and fire personnel. The Joint INENA/ILAPCO Legislative Committee is working with the sponsor of the bill to have telecommunicators added to the coverage of the bill.

HB 5128 – This bill requires that a County Sheriff have a seat on every ETSB in the State. The INENA/ILAPCO Legislative Committee has expressed its concerns regarding this bill since many ETSBs already include a Sheriff or his or her representative. The sponsor of the bill has agreed to amend the bill to make the language permissive rather than mandatory. This seems to reflect the current practice on most county ETSBs.

HB 5377 and HB5378 – These bills propose changes to the Community Emergency Support Services Act (CESSA) which will allow more local control of the response models. Importantly, the bills also will extend the date for implementation of CESSA to July 1, 2025.

Statewide 9-1-1 Advisory Board

The Statewide 9-1-1 Advisory Board is scheduled to meet on March 25, 2024. On the agenda should be final review of Administrative Code sections 1324 and 1326. The 9-1-1 community has provided input to the Statewide 9-1-1 Administrator on these proposed changes. The Administrator may also introduce the proposed changes to Part 1325 at that meeting. INENA/ILAPCO will again provide input from the ETSB/9-1-1 community on the Part 1325 proposals.

Federal Legislation

Because of the stalemate in Congress, no action has been taken on either funding for NG 9-1-1 or the Reclassification of Telecommunicators on the federal level. The 9-1-1 community is working to assemble support in the House of Representatives for the Senate Resolution dedicating funds from spectrum sales to the funding of nationwide NG 9-1-1.

Executive Director Bennett explained the CESSA information was pushed back until 2025. CESSA is the group that determines how 9-1-1 staff will handle mental health calls. They're working on protocols, which can be difficult to balance public safety with mental health resources. We currently have two clinicians assigned to the 9-1-1 center Monday through Friday, 8:00 a.m. until 4:00 p.m. They both spend time on the floor listening into 9-1-1 calls, some of which they get passed for non-emergent situations. Additionally, we have the Treatment Response Team (TRT) as a resource for mental health calls. This system has been working very well. If we find we have a frequent caller, Executive Director Bennett can call TRT directly for them to reach out and provide aid.

COMMUNICATIONS CENTER OPERATIONS

AUTOMATIC TRANSFER SWITCH AND UPS REPLACEMENT UPDATE

Executive Director Bennett explained that this project was already approved by the Board, but the vendor found during preventative maintenance testing that the batteries in the UPS should be replaced. This is something we had planned to complete later in the project. We decided to execute the battery replacement prior to starting the project. The batteries on the UPS will be replaced on 3/26 and the ATS will be replaced on 4/1. During that time, we will be using a temporary generator to run the load and avoid any outages. We will also be staffing the Maywood center so we're prepared should any unexpected issues occur. The company is Prime Electric, who also provides services to the rest of the building.

FY2023 AUDIT

FY2023 AUDIT REPORT DRAFT

Executive Director Bennett shared his screen and turned the meeting over to representatives of Mitchell & Titus, LLP (M&T). Mr. Baccus introduced himself and Ms. Babatunde. He explained that he would lead off with the audit highlights and that Ms. Babatunde would provide the details throughout her presentation. He explained their scope of services, consistent with prior years, was to express an opinion. There was no change in the engagement letter. The audit is essentially complete; however, they're still working through last year's items, which is not out of the ordinary. Key open items included performing subsequent event procedures through the date of issuance, final financial statement reviews, final quality control reviews, and obtaining a signed management representation letter. Comments on ETSB's internal controls included their analysis of significant accounting matters is appropriate, reasonable judgements and consistency have been used, and controls are designed and operating effectively. However, it was noted that other internal controls over financial reporting were deemed to be a significant deficiency, details to follow. Additionally, M&T's comments on corrected and uncorrected misstatements will be covered in detail later in the slideshow. Mr. Baccus turned the presentation over to Ms. Babatunde.

Ms. Babatunde explained M&T conducted the audit consistent with the planned scope and timing, so they were able to have it completed on time. The team involved with the audit have complied with all ethical requirements regarding independence. There was a significant accounting policy adopted by ETSB this year. The Governmental Accounting Standards Board (GASB) implemented the GASB 96 standard, which relates to Subscription-Based Information Technology Arrangements (SBITA). The standard is new this year. A lot of government agencies are getting into IT subscriptions, so GASB now requires any long-term IT subscription be included on the balance sheet. There was no change to the GASB 87 standard from last year because of ETSB's special arrangement with the State and there were no changes or additions to the contract. Outside of the new GASB standard, there were no other matters that drew the attention of M&T to report.

As for the significant accounting estimates, the most sensitive estimate affecting the financial statements include management's estimates of depreciation and amortization. The amortization is new coming from the GASB 96. M&T evaluated key factors and assumptions used to develop the depreciation methodology and determined that they are reasonable in relation to the basic financial statements taken as a whole. M&T believes the estimates are appropriate and financial statement disclosures meet the requirements of U.S. generally accepted accounting principles.

In terms of fraud, there were no actual or suspected fraud identified. Several conversations were had with Board Members, management, and employees throughout the duration of the audit. There were some instances of fraud that M&T believes management has already discussed with the Board in terms of cash receipts. Executive Director Bennett provided the following details: We receive surcharge checks from the state monthly to use for 9-1-1 related purposes. There were instances of lost checks in the mail which was reported to the State. ETSB found that two of these checks were intercepted and cashed. Management filed a report with the State and filled out two affidavits for these checks, one for Indian Head Park and one for Chicago Heights, and talked with the State about having these checks deposited directly in our account. Mr. Cornier asked if these missing checks were reflected in accounts receivable. Executive Director Bennett explained that since these checks were not received, they were not deposited, and no amount was recorded into our account. Mr. Cornier then asked how anticipated check amounts are reflected in the reports. Ms. Smith explained that the anticipated amounts are reflected in revenue even though the checks hadn't been received yet. Mr. Cornier expressed that the State is late sending checks, sometimes they don't send checks, or the amount is miscalculated. He is concerned that the proper anticipated amount we expect to receive is not reflected appropriately in receivables. It could be a substantial amount of money and this delay significantly impacts the audit. Ms. Smith added that the State is generally 3 months behind across the state, not just with Cook County ETSB. She explained that the delay affects the cash balance or cash flow, but the amounts are still reflected in revenue and receivables.

Ms. Babatunde continued. There were no difficulties dealing with management during the performance of the audit. Ms. Gamble, Ms. Rhodes, and Ms. Pyrcioch were very responsive to the audit process and any questions from the audit team.

There were no uncorrected adjustments during the audit. There were twenty-five corrected adjustments made. Twelve of the adjustments were related to the new GASB No. 96 standard which are not considered an issue. The impact of the remaining thirteen adjustments increased net position by \$706,927.

There were no unusual transactions and no disagreements throughout the audit. There were no consultations with other accountants regarding auditing and accounting matters, which management is required to disclose. Nothing discussed before, during, or after the audit regarding a variety of matters, findings, or issues resulted in losing M&T's retention as ETSB's auditors. M&T will be getting their signed management representation

letter soon. No matters involving noncompliance with laws or regulations were identified. The responsibility as auditors for other information in documents containing ETSB's audited financial statements does not extend beyond the financial information identified in the audit report. M&T agrees with management's assessment that there are no events or conditions that would indicate substantial doubt of ETSB's ability to continue as a going concern for one year.

GASB Standard No. 96 relates that subscription-based information technology arrangements longer than one year must be carried as a liability on the entity's financials for the length of time of the subscription. ETSB has two subscriptions this year, at least one is a five-year subscription. This asset is now sitting on financials as a liability for five years.

Ms. Babatunde moved onto corrected and uncorrected misstatements. When looking at ETSB's controls, M&T are making sure that adjustments are concluded prior to the start of the audit. If adjustments are made after the start of the audit, they become material. Year-end reviews must be done more thoroughly and prior to the start of the audit since this is where most of the adjustments were found. For example, the payroll bill from the County had something different than what accounting advised. There was an improvement from last year's audit findings.

As for prepaid expenses, this is the first year since the on-going leasehold improvement construction of the last few years has been completed. The necessary changes should have been made to these entries prior to providing the trial balance. Mr. Cornier clarified that this information was not provided to M&T until the start of the audit. Ms. Babatunde advised they had an idea but as far as the timing of the audit, they'd prefer that all major entries be on the books before they get the trial balance. Mr. Cornier said that if we have the information, they're either in receivables, payables, or liabilities and suggested we should know what the liabilities are concerning payroll prior to the audit. Ms. Babatunde reiterated it is a timing issue. Ms. Ryles added that what M&T is asking for is that payroll be reconciled before the start of the audit. Mr. Cornier asked if the payroll entries accounted for all the adjustments. Ms. Babatunde replied that excluding the SBITA entries, payroll and pass through were discrepancies. M&T is waiting on management's response.

Ms. Babatunde moved on to discuss financials. M&T typically begins with the Management Discussion & Analysis, then focuses on financials, assets, and the like. In assets, because of the SBITA, ETSB now has 1.1 million on the books for the next five years. So, the current and future commitments are accounted for right in the balance sheet. These are new numbers showing up in the financials from last year. There is a net position of about 11.3 million. 7.7 million is the investment in capital assets and the remaining 3.6 is restricted because the funds are restricted for 9-1-1 purposes.

Executive Director Bennett explained the adjustments related to pass through. Cook County negotiated a contract with Motorola to replace radios, including free Starcom programming, about three or four years ago. Many agencies countywide began coming to us admitting their only option to purchase these radios was through the State contract and asked if they could buy them with County's contract. The States Attorney at the time worked with Motorola to create a pass through for these agencies to purchase these radios on the County contract through ETSB. These agencies meet with their Motorola representative, pick their equipment, then Motorola sends us their quote. We generate an invoice to the respective agency matching the quote. Once the money is received in the account, we generate a purchase order to Motorola for the quote they provided. This way, they're able to use the County contract. ETSB facilitates these agencies get a better price on their radios which helps those that may have difficulty affording them. Many agencies initially got their radios through Homeland Security grants and this year, these radios have reached end-of-life. We've seen this program steadily

grow because of this. With COVID-19 and supply chain issues, the problem we've run across is the money received for these orders sits in our account and some items from these orders get delayed. By the time the parts are received, we've crossed fiscal years and now that money received the year prior is going out in the current fiscal year. This has impacted the corrections on the books. We are now separating money for these radio orders into another account. Moving forward, we will inquire if Motorola can fill an order and invoice us prior to November 30th, and if not, we will inform the requesting agency to hold their order until December 1st to place in the next fiscal year. Additionally, we've asked Motorola to invoice us in full to limit the number of transactions for reconciliation purposes. Ms. Smith added that keeping a schedule throughout the year will assist with maintenance in preparation of the audit.

Mr. Cornier stated that the funds for these significant purchases do not come from a separate account but are being made from our overall budget. He asked that although we will be reimbursed, shouldn't the funds show up on receivables? Ms. Babatunde explained there's a liability on the books right now and once the payment is made, the goal is to keep the expense against the liability. It is not supposed to reflect in expenses at the end of the year but is supposed to wash the liability on the books within the same year. It is not washing out because of the delays. A reconciliation was needed because there were so many transactions going in and out of that account.

Executive Director Bennett further explained adjustments relating to salary. He advised we will be requesting payroll three times in 2024 (up from twice in 2023) to get ahead of the reconciliation issues we've faced previously. The County has changed their payroll reports and has used different vendors. Reconciling salaries three times throughout the year will give us an opportunity to review the bill, our list of employees, and allow us to get in front of any issues. Also, the last bill we receive only provides a small window to reconcile prior to the start of the audit. We can only request the bill after employees have been paid out through the end of November, which depending on how the pay period falls, could leave us requesting the final bill near the end of December. We no longer have access since moving to the new payroll system so the only way to obtain this information is through the County Comptroller. ETSB owes only for ETSB employees and some administrative fees are included on the bill. Ms. Smith further explained that in the five years that Lauterbach & Amen have been the ETSB's accountants, the payroll bills have looked different each time. Although you feel you may have gotten a handle on how to locate the information needed, the next time you see the bill, it's different. When the report is received in early January and the audit begins in early February, it doesn't leave much time to resolve any questions or issues discovered while reconciling the bill. Mr. Cornier pointed out that salaries will always be an issue because of the way the County Comptroller conducts its billing. Executive Director Bennett explained that all the employees in the 9-1-1 center are paid from three separate budgets. There are some paid from the ETSB budget, which we're responsible for, some are paid from the Sheriff's budget, and lastly there are the employees paid from the Municipal fund. The municipal budget is funded by the municipalities, which is done through the budget office. Surcharge money received is also sent to them and applied to that fund. We've found that sometimes the County will move people around, or someone who's left is replaced by another person.

Mr. Cornier asked about the four adjustments related to construction. Ms. Babatunde explained that once the project was completed in December of 2022, all the money spent during the last 3-4 years on construction of the 9-1-1 center should have been moved into leasehold improvement. There was a delay in making all those adjustments. While reviewing expense accounts, they found amounts to be moved. By the time the construction is over, the account should be zero. Mr. Cornier asked if the amounts are because of a change in contracts. For example, there's an agreed upon estimate, but then at the end of the project there's an additional \$100,000 added for mold-removal. Executive Director Bennett advised that we don't pay the bill until FGM,

the project manager, authorizes us to release payment, which is not until all items on the punch list have met an acceptable level. Ms. Smith explained that these expenses are on the books, they just need to be moved, or reclassified, and the issue we ran into was the timing of these movements. Ms. Babatunde added that those expenses stay on the balance sheet as “construction in progress.” Once the project is completed, the expenses need to be moved to leasehold improvement to begin depreciating.

Mr. Cornier expressed that the Board votes on these original contracts and wants to know if any changes are made that affect the course of the audit, how to obtain the information as to what caused any deviation in expenses. Executive Director Bennett advised we will prepare a document to reflect what the original cost voted on was, and what the end cost was for the next Board meeting, along with the contingencies listed.

Ms. Morris made a motion and Mr. Matthews made the second to approve releasing the FY2023 Audit Report Draft to the County.

Roll call vote;

Cornier	Yes
Fleming	Absent
Kuryla	Yes
Matthews	Yes
Morris	Yes

FINANCIAL REPORT

MARCH BILL PAYMENT RESOLUTION

The March Bill Payment Resolution is attached for the Board’s review.

The significant items to report are;

- Motorola \$338,079.61; \$55,693.20 is for the fulfillment of our 2023 orders, the remaining \$282,386.61 is pass through.

Total Bills \$715,719.24

Mr. Cornier made a motion and Mr. Kuryla made the second to approve the March Bill Payment Resolution as presented in the amount of \$715,719.24.

Roll call vote;

Cornier	Yes
Fleming	Absent
Kuryla	Yes
Matthews	Yes
Morris	Yes

Motion carried.

FINANCIAL REPORT

Lauterbach & Amen will present the financial reports for the period.

As of January 31, 2024, two months or 16.6% of the fiscal year is complete. Here is a summary of the attached financial reports.

- Statement of Net Assets
 - o Other current assets account has a negative balance that will be adjusted once the audit is complete and the adjusting entries have been posted.
- Statement of Revenues and Expenditures
 - o Expenditures are in excess of revenues by \$37,758.56. This excess is due to the payment to Verizon for the annual estimate of the 911 phone line admin charge being more than the amount budgeted.
 - o Revenues are trending approximately \$7,000 over budget due to receiving a refund from AT&T for the final bill.
- Expenditures are trending lower than anticipated because payments made during December and January are mostly related to fiscal year 2023 and won't be reflected in fiscal year 2024's Statement of Revenues and Expenditures.

Ms. Smith had nothing more to add to the provided financial report.

CLOSED SESSION

None.

PUBLIC COMMENTS

None.

FOR THE GOOD OF THE ORDER

None.

MOTION TO ADJOURN

Mr. Cornier made a motion to adjourn the meeting of March 22, 2024, second by Ms. Morris.

Roll call vote;

Cornier	Yes
Fleming	Absent
Kuryla	Yes
Matthews	Yes
Morris	Yes

Motion carried.

The March 22, 2024 Cook County Emergency Telephone System Board meeting was adjourned at 11:30 a.m.

Next Meeting

April 26, 2024

10:30 a.m.

9511 W. Harrison, LL11

Des Plaines, IL 60016

Valerie Rhodes, Director of Support Services

Date