



CITY of RICHMOND
City Auditor's Office

DATE: May 24, 2022

TO: Lincoln Saunders
Chief Administrative Officer

FROM: Louis Lassiter *LL*
City Auditor

SUBJECT: Emergency Communications Tower Leases Audit

The City Auditor's Office has completed the Tower Leases audit and the final report is attached.

We would like to thank the Emergency Communication's staff for their cooperation and assistance during this audit.

Attachment

cc: The Richmond Audit Committee
The Richmond City Council
Stephen Willoughby, Director of DEC
Dr. Kevin Vonck, Director of PDR

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City of

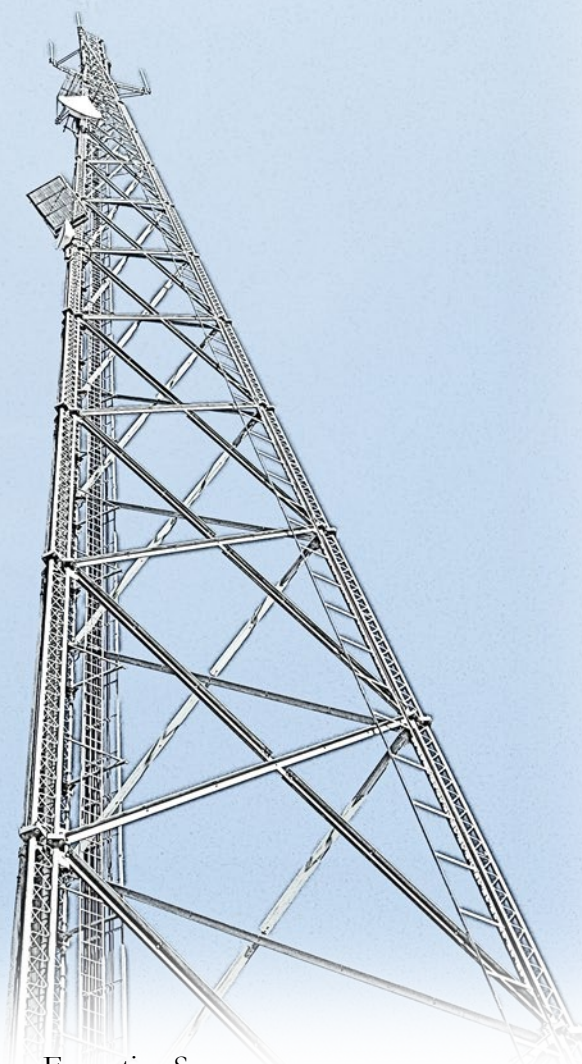
RICHMOND

Office of the City Auditor

Audit Report# 2022-11

Emergency Communications Tower Leases

May 24, 2022



Audit Report Staff

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Highlights

Audit Report to the Audit Committee, City Council, and the Administration

Why We Did This Audit

The Office of the City Auditor conducted this audit as part of the FY2022 audit plan approved by the Audit Committee. The objective for this audit was to evaluate the emergency communications Tower Leases to determine the completeness, accuracy and efficiency of the revenue generated.

What We Recommend:

The Director of the Department of Emergency Communications:

- Develop SOP's to administer the process for the telecommunications tower lease agreements.
- Create a complete listing of all the telecommunications tower lease agreements along with their terms and payment due dates to monitor compliance.
- Include CPI adjustments to include past adjustments not applied for lease payments moving forward.
- Research and collect the \$186,877 for FY2021.
- Research payments prior to FY2021 as feasible for all the telecommunication lease agreements and pursue uncollected revenue.

Additional recommendations are noted throughout the report related to management of the leases by those with specialized training, negotiating leases in holdover, researching missed payments and payment calculations, storing files, as well as other items.



Emergency Communications Tower Leases

Background - The City of Richmond leases certain City owned properties for the installation and operation of telecommunications towers. These towers offer a revenue source for the City by renting space on towers or land and allows wireless companies to improve wireless services for City residents. In 2014, the Department of Emergency Communications (DEC) became responsible for overseeing leases related to telecommunications towers and other locations within the City of Richmond. Prior to that, the Department of Public Works was responsible for overseeing the process. The FY2021 revenue generated from the telecommunications towers was \$1,079,107, which is a \$223,398 decrease from FY2020.

Needs Improvement

Finding #1 –Standard Operating Procedures

DEC lacks policies and procedures for tower lease management. The auditors reviewed 170 payments of \$2,381,612 deposited during FY2020 and FY2021 for 33 active leases. Auditors noted lease payments were missing (\$186,877), incomplete, not tracked, and not deposited timely. The auditors reviewed DEC's historical tracking spreadsheet and noted 46 payments were missed/not tracked and only 78% of the lease rates increased annually with inflation adjustments (\$144,096).

Finding #2 – Lease Management

DEC staff are not trained in lease management or industry standards. DEC is unaware if lease rates are comparable to market rates. DEC is not tracking or marketing available spaces to potential customers, and are not completing lease renewals when due. Lease terms were not consistent and varied among the leases.

Finding #3 – Missing Documentation

DEC maintains all the lease agreements in hard copy files. Ten leases and/or renewals had ordinances approved by City Council but DEC didn't have a signed copy of the lease/renewal agreements.

Finding #4 – Special Revenue Fund

Revenue generated from the City's telecommunications tower leases is deposited into a Special Revenue Fund Account. No documentation exists showing that City Council approved the establishment of this Special Revenue Fund Account. A State or Local Code does not exist requiring the City to place this revenue into a special revenue fund nor are these funds restricted to certain expenditures.

Finding #5 – Application Review for New Towers

A tower was built on property adjacent to DEC headquarters without the Department's knowledge. These towers can interfere with the Emergency Communications Towers' signal. Staff were unaware that the tower was approved by the Department of Planning and Development Review until it was erected.

Finding #6 – Sublicense Agreement Percentages

Currently, the City has a total of seven tower land lease agreements all of which allow for the City to collect revenue from Co-locators it finds for the lessee. The auditors noted at least one sub-license agreement for a co-locator on City property that the City was not receiving any revenue from as the City did not locate it. This is potential lost revenue for the City.

Management concurred with 17 of 17 recommendations. We appreciate the cooperation received from management and staff while conducting this audit.

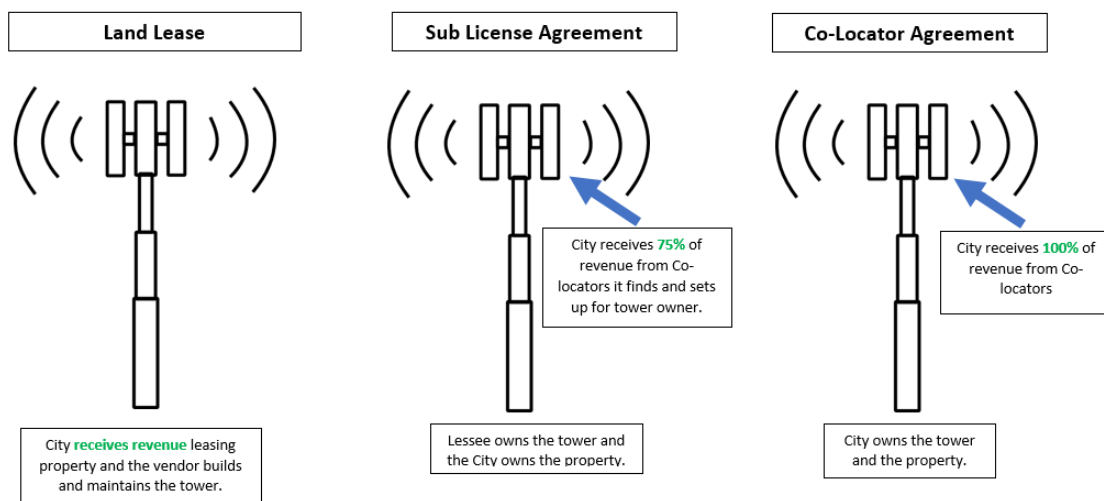
BACKGROUND, OBJECTIVES, SCOPE, METHODOLOGY, MANAGEMENT RESPONSIBILITY and INTERNAL CONTROLS

This audit was conducted in accordance with the Generally Accepted Government Auditing Standards promulgated by the Comptroller General of the United States. Those Standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on the audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on the audit objectives.

BACKGROUND

The City of Richmond leases certain City owned properties for the installation and operation of telecommunication towers. These towers offer a revenue source for the City by renting space on towers or land and allows wireless companies to improve wireless services for City residents. In 2014, the Department of Emergency Communications (DEC) became responsible for overseeing leases related to telecommunications towers and other locations within the City of Richmond. Prior to that, the Department of Public Works (DPW) was responsible for overseeing the process.

The City uses three main types of agreements as shown on the following graphs:



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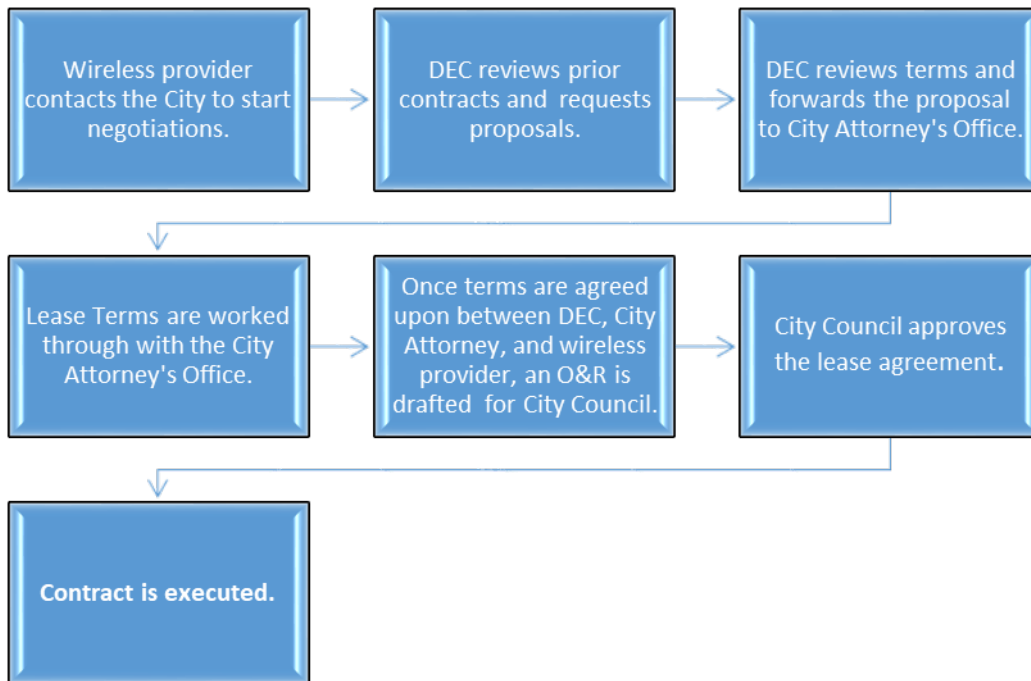
These agreements enable the City to collect rent from all tenants and any other wireless providers that agree to co-locate (lease space) on the City's property. Revenues generated from the lease agreements are deposited into a special revenue fund account. The chart below notes the revenue generated in FY2020 and FY2021:

Fiscal Year	Revenue
2020	\$1,302,505
2021	\$1,079,107

Source: RAPIDS General Ledger

Lease Process/Management

DEC has one staff member responsible for managing the leases. The process to start a new lease agreement is as follows:



The process to renew a lease agreement is similar to the above process. The terms from the original lease are reviewed and updated as needed, and approved by City Council. The auditors

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noted DEC has hard copy files of 40 lease agreements, which date as far back as 1998. Within the 40 files:

- o 7 had supporting documentation noting the agreements were not renewed.
- o Of the remaining 33 lease agreements (at 13 locations), only two leases are currently active and the remaining lease agreements have either ended or are in holdover. Holdover is the process that allows a lessee to operate under the terms of an expired lease as long as payment is made, and the lessor accepts the payment. This allows the lessee to continue to possess or use the property. If a lessee discontinues payments for a lease that is in holdover, the lessee would lose the right to possess the leased equipment.

Standard lease terms are usually five year leases with renewals and an annual rate increase of the change in the Consumer Prices Index (up to 5%) or 3%, depending on the agreed upon terms. The payment arrangements for the wireless providers are outlined in their respective lease agreements. The wireless providers mail in their payments to DEC.

OBJECTIVES

To evaluate the emergency communications tower leases to determine the completeness, accuracy and efficiency of revenue generated.

SCOPE

The scope of the audit covered all emergency communications lease agreements for the 12-month period ending June 30, 2021 and the current environment.

METHODOLOGY

The auditors performed the following procedures to complete this audit:

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- Reviewed all active lease agreement payments to determine compliance with the lease terms.
- Reviewed deposits for all leases to tie the payments to the appropriate lease agreement and ensure all funds were deposited into the correct account.
- Computed lease agreement rate increases using the average industry standard rates for all leases.
- Reviewed historical lease payments for consistency, gaps, and payment increases for all leases.
- Interviewed various departments to gain an understanding of how lease agreements are handled in the City.
- Judgmentally selected six localities to benchmark their practices of managing the telecommunications tower lease agreements.
- Conducted other tests, as deemed necessary.

MANAGEMENT RESPONSIBILITY

City of Richmond management is responsible for ensuring resources are managed properly and used in compliance with laws and regulations; programs are achieving their objectives; and services are being provided efficiently, effectively, and economically.

INTERNAL CONTROLS

According to the Government Auditing Standards, internal control, in the broadest sense, encompasses the agency's plan, policies, procedures, methods, and processes adopted by management to meet its mission, goals, and objectives. Internal control includes the processes for planning, organizing, directing, and controlling program operations. It also includes systems for measuring, reporting, and monitoring program performance. An effective control structure is one that provides reasonable assurance regarding:

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- Efficiency and effectiveness of operations;
- Accurate financial reporting; and
- Compliance with laws and regulations.

Based on the audit test work, the auditors concluded internal controls do not exist over the administration of the telecommunications tower lease agreements. These observations are discussed throughout this report.

FINDINGS and RECOMMENDATIONS

What Needs Improvement

Finding #1 – Standard Operating Procedures

Condition:

Since 2014, DEC has been responsible for managing the telecommunications tower lease agreements. DEC has been managing the telecommunications tower leases without any established policies and procedures. After interviewing staff, the auditors noted the following:

- One staff member is collecting, depositing, managing, and reviewing the lease payments without any segregation of duties or cross training of a backup.
- DEC staff does not send out bills or notify lessee of rate increases and are not certain when payments are due or missed.

FY2020 and FY2021 Payments

The auditors reviewed a total of 170 payments totaling \$2,381,612, which were deposited during FY2020 and FY2021 for 33 the active leases. The auditors noted:

- The lease payments were deposited on average 21 days after the check date.
- Two deposits were not coded to the Special Revenue Fund as one deposit was erroneously coded to the wrong account (\$708.69) and the other (**at least \$7,230**) was noted in DEC's tracking spreadsheet, however, a deposit could not be located.

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- Three payments were not tracked in DEC's tracking spreadsheet.
- Six agreements were paid in varying installments from what was noted in the lease agreements.
- Payments for three of the lease agreements was less than the original contract amount even though rates were to increase each year.

The auditors noted that payments were either missing or were late for some leases as follows:

- Six were missing the entire payment for FY2021.
- One was missing a part of the FY2021 payment.
- One was missing a part of the FY2020 payment.
- Eleven had FY2019 payments made in FY2020.

Historical Payment tracking

The auditors reviewed the historical tracking spreadsheet used by DEC that noted 722 payments dating back to 2011. The auditors looked for payment gaps and verified if rates increased annually per the lease agreements. The auditors noted 46 untracked payments (including the ones noted above) and only 78% of the lease rates increased annually as noted in the following tables.

Year	Number of Untracked Payments
2013	23
2014	3
2015	3
2016	1
2017	3
2018	1
2019	4
2020	1
2021	7
Total	46

CPI Increase	Number of Leases
Partial	3
No	4
Yes	25
N/A - Lease did not require increase	1
Total	33

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Criteria:

The following are all standard business practices:

- Written policies and procedures provide guidance to employees to perform their duties consistently in conformance with policies.
- Segregation of duties is a standard control within business processes to mitigate the risk of theft or fraudulent activity.
- Billing customers and notifying them of rate increases helps maintain a positive cash flow.
- Cross training staff allows for a process to continue even if the responsible employee is absent or leaves employment.

Per the City's Cash Collections Policy, all "cash receipts of \$100 or more are to be deposited within 2 business days."

Cause:

According to DEC Management, the telecommunications tower lease management process was not a high priority due to other more important life safety processes needing to be developed. In addition to limited staff and turnover, cross training was not a priority and employee turnover. The staff member currently responsible for the process has been with DEC for nine months.

Additionally, DEC neither maintains a centralized list of all telecommunications tower lease agreements for billing, bill notification and tracking nor reconciles receivables to ensure all payments have been received.

Effect:

Without policies and procedures, compliance cannot be evaluated and the consistency of monitoring lease agreements could vary resulting in lost revenue for the City. With only one employee trained on the process and performing the duties, process efficiency is hindered as if the employee is out the process is not performed. Additionally, the risk of theft or fraud increases due to the lack of segregation of duties. Without an adequate inventory of leases, staff

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are unable to determine if all revenues are timely and have been collected leading to potential lost revenue for the City.

As noted, payments were missed and lease rates were not constantly increased as the City did not perform the calculations and bill the lessees. As such, the auditors used the last lease amount supported by a signed lease and used the annual average increases in CPI to calculate payment amounts for each lease. Based on payments received, the auditors calculated the below **estimate** for each category of potentially lost revenue.

Category of Revenue	Potential Uncollected Revenue
<i>*Potential Missed Payments From FY2011 to FY2020*</i>	\$ 1,055,213
Missed FY2021 Payments	\$ 186,877
CPI Increases	\$ 144,096

Payments missed prior to FY2021 could have been received, but due to poor historical payment tracking, the transition to a new System of Record by the City, and another department managing the special revenue fund, these payments cannot be validated as missing.

Recommendations:

- 1. We recommend the Director of the Department of Emergency Communications develop SOPs' to administer the process for the telecommunications tower lease agreements to include the following:*
 - o Billing and monitoring procedures*
 - o Reconciliation process*
 - o Segregation of duties*
- 2. We recommend the Director of the Department of Emergency Communications create a complete listing of all the telecommunications tower lease agreements along with their terms and payment due dates to monitor compliance.*

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- 3. We recommend the Director of the Department of Emergency Communications include CPI adjustments to include past adjustments not applied for lease payments moving forward.*
- 4. We recommend the Director of the Department of Emergency Communications submit the corrective entry to move the \$708.69 into the Telecommunications Tower Special Revenue Fund.*
- 5. We recommend the Director of the Department of Emergency Communications research any payments received and not deposited in the Special Revenue Fund.*
- 6. We recommend the Director of the Department of Emergency Communications research and collect the \$186,877 for FY2021.*
- 7. We recommend the Director of the Department of Emergency Communications research payments prior to FY2021 as feasible for all the telecommunication lease agreements and pursue uncollected revenue.*
- 8. We recommend the Director of the Department of Emergency Communications ensure compliance with the City's Cash Collection Policy.*

Finding #2 – Telecommunications Lease Management

Condition:

The Auditors interviewed staff and reviewed the existing lease agreements and determined DEC is not:

- Maintaining a listing of available leasing opportunities on its current towers nor are they aware of where additional leasing opportunities exist.
- Marketing its available spaces to potential customers. DEC relies on word of mouth and for companies to reach out to them in regards to new leasing opportunities.
- Completing renewals when due, all but two have not been renewed or new leases negotiated and were continued through holdover. These holdover leases were not approved by Council through an ordinance. The table below notes the year the signed leases ended prior to holdover.

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Signed Lease Ended	Number of Leases
2007-2010	2
2011-2014	19
2015-2017	8
2018-2019	1
Current	2
CNC	1
Total	33

Additionally, DEC is unaware if the rates being paid by the lessees, as well any future negotiated rates for new leases, are at market rate and beneficial to the City. As noted in Appendix A, the City's rates are in alignment with other localities.

Contract terms varied between the leases increasing the difficulty in managing the leases over the years. The Information below notes areas where the leases varied:

- Price Escalator
- City's notification requirement to lessee on annual rate increases
- Initial Term Length
- Number of extensions

Criteria:

Maintaining an inventory of potential revenue opportunities, marketing those opportunities, and ensuring the City receives the best rates possible are all good business practices. Professional training is essential for an organization to increase productivity and maximize profits. Additionally, per City Code Sec. 8-2 "(a), no city owned real estate shall be leased for long than 90 days without being approved by City Council via an ordinance."

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Cause:

DEC staff responsible for managing the leases do not have the industry expertise necessary to adequately market and negotiate the leasing opportunities. Staff have not received industry specific training nor are there future plans to train the staff in place. As noted in Appendix A, all three of the benchmarked localities have a Real Property/Real-estate Office managing their lease agreements by staff with specialized training that includes real estate, commercial leases, or legal backgrounds. DEC management is currently working on procuring a third party with an expertise in the field to assist staff with managing the leases, however the process is not yet complete.

In addition, a lease template did not exist for generating the leases in a timely manner. Two of the three benchmarked localities use templates for their leases (See Appendix A). DEC is currently developing a template with assistance from the City Attorney's Office.

DEC Management also noted that the leases have not been a priority due to their lack of staffing.

Effect:

The City could be missing out on revenue related to telecommunications lease agreements due to outdated rates, inconsistent rates, and missed marketing opportunities from the lack of professional oversight. Without marketing, the consumer pool may not be able to grow which also reduces the opportunities the City has to increase revenue through leases. Additionally, leases are in effect through holdover that City Council have not approved.

Recommendations:

- 9. We recommend the Director of the Department of Emergency Communications develop a listing of all available leasing opportunities in the City.*

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- 10. We recommend the Director of the Department of Emergency Communications ensure telecommunications tower leases are professionally managed either internally or externally with persons that have specialized training in regards to marketing, negotiating, and managing the leases.*

- 11. We recommend the Director of the Department of Emergency Communications ensure all leases in holdover are renegotiated and submitted to City Council for approval.*

- 12. We recommend the Director of the Department of Emergency Communications and the City Attorney finalize and use a template for telecommunications tower leases.*

Finding #3 – Missing Documentation

Condition:

After reviewing DEC's telecommunications tower leases files, the auditors noted ten leases and/or renewals that had ordinances approved by City Council. DEC did not have a copy of these signed lease/renewal agreements.

Additionally in reviewing DEC's files, the auditors noted the files did not have current insurance documentation for the towers as required in the lease agreements.

Criteria:

Per General Schedule Number 16 of the records retention and disposition schedule, lease documentation for real property should be maintained for five years after expiration of the lease.

Per the leases, "sublicensee, at its sole cost and expense, shall carry and maintain a policy or policies of commercial general liability insurance."

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Cause:

Per DEC, they took over management of the leases in 2014 and did not receive the files until 2016. In review of the ten missing signatures, all were approved by City Council prior to this transfer to DEC. All the files they received from the prior department, as well as any support they have maintained since then, are in hardcopy form located in folders.

Insurance requirements were not being reviewed by staff as lease management was not a high priority.

Effect:

- DEC is not in compliance with document retention standards.
- Also, without adequate insurance, per the agreements, the City may not be protected against "liability from injuries to persons or property occurring in or about the Premises or arising out of the maintenance, use, or occupancy thereof."

Recommendations:

- 13. We recommend the Director of the Department of Emergency Communications implement a process to store and maintain lease documentation digitally.*
- 14. We recommend the Director of the Department of Emergency Communications ensure all lessees have adequate insurance coverage in place per the lease agreements.*

Finding #4 – Special Revenue Fund

Condition:

Revenue generated from the City's telecommunications tower leases is deposited into a Special Revenue Fund Account managed by DEC. No documentation exist showing that City Council approved the establishment of this Special Revenue Fund. A State or Local Code does not exist requiring the City to place this revenue into a special revenue fund nor are these funds restricted for certain expenditures. Currently, DEC can spend the money on any item they deem

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necessary. The chart below notes the revenue deposited into the Special Revenue Fund Account in FY2020 and FY2021 per the general ledger.

Fiscal Year	Revenue
2020	\$1,302,505
2021	\$1,079,107

Per appendix A, other localities the City benchmarked against deposit these revenues into their General Fund.

Criteria:

According to Statement No. 54 of the Governmental Accounting Standards Board, "Special revenue funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects."

Cause:

When this fund was created the City did not have formal guidance on creating, monitoring, and closing Special Revenue Funds.

Effect:

The Telecommunications Tower Lease Special Revenue Fund does not meet the GASB #54 definition of a Special Revenue Fund as expenditures are not restricted for a specific purpose.

Recommendation:

- 15. We recommend the Director of the Department of Emergency Communications close the Special Revenue Fund Account and have the money moved to the General Fund.*

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Recommendation 2020-13 #1 recommending the CAO develop and implement formal policies and procedures to provide guidance on creating, monitoring, and closing Special Revenue Fund accounts is still open and therefore a new recommendation will not be issued.

Finding #5 – Application Review for New Towers

Condition:

DEC has located radio towers throughout the City that provides coverage for all the radio systems for all emergency service providers (Police, Fire, DEC, and Emergency Management) in the area and surrounding counties.

A tower was built on property adjacent to DEC headquarters without the Department's knowledge. These towers can interfere with the signal of the Emergency Communications Towers. Staff were unaware that the tower was approved by the Department of Planning and Development Review (PDR) until it was erected.

Criteria:

PDR has a review and approval process in which they send out applications and plans and requests for department input. The City Attorney's Office as well as the Zoning Administrator noted that DEC can give input on the towers at the request of the Director of PDR and towers can be denied for any of the reasons noted below from City Code section 30-692.2.

"In addition to meeting minimum submission requirements for any application materials the Director may require, requests for approval for wireless facility projects shall include the following:

- (1) The applicant's narrative containing the following information:
 - a. The address and latitude/longitude of the proposed location;
 - b. A description of communications/broadcast services which the applicant intends to provide at the site;

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- c. The methodology behind the site selection (i.e., describe alternative sites considered in the site selection process and why the proposed site is the most suitable);
- d. A description of any other regulatory review required for the site and the status of that review (Federal Communications Commission, Federal Aviation Administration, NEPA impact report);
- e. The measures that will be taken to ensure compatibility with surrounding properties;
- f. A statement acknowledging removal of antennas upon termination of the use;
- g. A statement indicating compliance with NIER standards;
- h. A noninterference statement;
- i. A statement indicating the feasibility of co-location of other users at the site; and
- j. A statement indicating whether the site will be shared with the City if needed for public safety purposes.”

Additionally, DEC cannot reject a tower application on the basis of competition with their own leases or towers per Virginia Code 15.2-23164:2(5).

Cause:

In the past, DEC has not been asked for input on plans for new Towers within the City.

Effect:

The City's firefighters, police officers, and dispatchers' ability to perform their duties effectively in emergencies could be hindered if they cannot adequately communicate through the radio system due to interference.

Recommendation:

16. We recommend the Director of the Department of Emergency Communications work with the Department of Planning and Development Review Director so that PDR informs DEC of new tower permit applications.

Finding #6 – Sublicense Agreement Percentages

Condition:

The City has three different types of telecommunication lease agreement contracts to generate revenue for the City. These agreements noted below enable the City to collect rent from all tenants and any other wireless providers that agree to co-locate (lease space) on the City's property.

- Tower Land Lease Agreements –The wireless provider negotiates a lease with the City for the ground space, which is real property with no improvements. The tenant will then build a structure on the ground and retain ownership of the structure even though the City owns the ground.
- Co Locator Agreements - The City owns the infrastructure on which the wireless provider places its equipment. The provider rents space at the location to place its equipment. The main example is a City owned tower where a Co-locator (wireless provider antenna) is on the tower. Other examples of co-locator leases are a vendor placing co-locators on water towers or buildings.
- Sub License Agreements - This applies when the City has a ground lease with a provider and the City does not own the tower. The lessee will grant the City the right to find co-locators to go on the tower and the City can gain revenue from the co-locators who are sub-licensees. The tower owner would get 25% of the sublicensing fees and the City would get the remaining 75%. The owner of the tower does not have to go out and find co-locators or negotiate pricing with the co-locator manufacturers.

Currently, the City has a total of seven tower land lease agreements, all seven allow for the City to collect revenue from Co-locators it finds for the lessee. The auditors noted at least one sublicense agreement for a co-locator on City property that the City was not receiving any revenue from.

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Criteria:

In speaking with other Virginia localities, common practice is for the locality to receive a specified percentage of all rent collected from third party use of all towers on the locality's property.

Cause:

DEC does not have any staff members that specialize in telecommunications lease agreements, trained to handle negotiations, or familiar with industry standards.

Effect:

DEC's staff lack of training of current practices in the industry has resulted in potential lost revenue for the City.

Recommendation:

- 17. We recommend the Director of the Department of Emergency Communications research sub-license agreements and ensure the City is receiving the most beneficial percentage from all sub-license agreements located on City property.*

Appendix A

Tower Lease Agreements	Richmond City	Henrico	Chesterfield	Fairfax
Managing Department	Emergency Communications	Real Estate/Property	Real Estate/Property	Real Estate/Property
Number of staff overseeing the function.	One	Two and a half	One	One
Staff Members have specialized training.	No	Yes	Yes	Yes
Revenue goes into the General Fund.	No	Yes	Yes	Yes
Managing Department handles all lease agreements.	No	Yes	Yes	Yes
Utilize a standard template.	No	No	Yes	Yes
Range of lease rates	\$23,000-\$39,000	\$16,000-\$32,000	\$12,000-\$52,000	\$25,000-\$75,000
Tower lease rates are reviewed upon renewal.	Yes	Yes	Yes	Yes
Length of Lease terms	5 year	5 year	5 year	5 year

APPENDIX B: MANAGEMENT RESPONSE FORM

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#	RECOMMENDATION	CONCUR Y/N	ACTION STEPS
1	We recommend the Director of the Department of Emergency Communications develop SOPs' to administer the process for the telecommunications tower lease agreements to include the following: o Billing and monitoring procedures o Reconciliation process o Segregation of duties	Y	The Senior Manager will develop and implement SOPs for the following: Ensure billing and monitoring, and reconciliation duties are administered and that proper segregation of duties are defined. Ensure proper documentation is both collected as per each lease, as well as stored digitally.
	TITLE OF RESPONSIBLE PERSON		TARGET DATE
	Senior Manager		1-Jan-23
	IF IN PROGRESS, EXPLAIN ANY DELAYS		IF IMPLEMENTED, DETAILS OF IMPLEMENTATION
#	RECOMMENDATION	CONCUR Y/N	ACTION STEPS
2	We recommend the Director of the Department of Emergency Communications create a complete listing of all the telecommunications tower lease agreements along with their terms and payment due dates to monitor compliance.	Y	The Senior Manager will develop this listing for all lease agreements.
	TITLE OF RESPONSIBLE PERSON		TARGET DATE
	Senior Manager		1-Jan-23
	IF IN PROGRESS, EXPLAIN ANY DELAYS		IF IMPLEMENTED, DETAILS OF IMPLEMENTATION
#	RECOMMENDATION	CONCUR Y/N	ACTION STEPS
3	We recommend the Director of the Department of Emergency Communications include CPI adjustments to include past adjustments not applied for lease payments moving forward.	Y	The Senior Manager will calculate the current rate for each lease to include the proper payment escalation as defined in the lease agreement, and will include this rate in the invoice moving forward.
	TITLE OF RESPONSIBLE PERSON		TARGET DATE
	Senior Manager		1-Jan-23
	IF IN PROGRESS, EXPLAIN ANY DELAYS		IF IMPLEMENTED, DETAILS OF IMPLEMENTATION
#	RECOMMENDATION	CONCUR Y/N	ACTION STEPS
4	We recommend the Director of the Department of Emergency Communications submit the corrective entry to move the \$708.69 into the Telecommunications Tower Special Revenue Fund.	Y	Completed -This entry has been moved as of April 29, 2022. Documentation of this entry correction has been sent to the City Auditors Office.
	TITLE OF RESPONSIBLE PERSON		TARGET DATE
	Senior Manager		29-Apr-22
	IF IN PROGRESS, EXPLAIN ANY DELAYS		IF IMPLEMENTED, DETAILS OF IMPLEMENTATION
#	RECOMMENDATION	CONCUR Y/N	ACTION STEPS
5	We recommend the Director of the Department of Emergency Communications research any payments received and not deposited in the Special Revenue Fund.	Y	The Senior Manager will review deposits to ensure all payments were deposited within the Special Fund, and will correct any incorrect deposits.
	TITLE OF RESPONSIBLE PERSON		TARGET DATE
	Senior Manager		30-Jun-23
	IF IN PROGRESS, EXPLAIN ANY DELAYS		IF IMPLEMENTED, DETAILS OF IMPLEMENTATION

APPENDIX B: MANAGEMENT RESPONSE FORM

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#	RECOMMENDATION	CONCUR Y/N	ACTION STEPS
6	We recommend the Director of the Department of Emergency Communications research and collect the \$186,877 for FY2021.	Y	The Senior Manager will review FY2021 lease payments, and determine the leases that were not paid and will invoice for the missed payments.
	TITLE OF RESPONSIBLE PERSON		TARGET DATE
	Senior Manager		30-Jun-23
	IF IN PROGRESS, EXPLAIN ANY DELAYS		IF IMPLEMENTED, DETAILS OF IMPLEMENTATION
#	RECOMMENDATION	CONCUR Y/N	ACTION STEPS
7	We recommend the Director of the Department of Emergency Communications research payments prior to FY2021 as feasible for all the telecommunication lease agreements and pursue uncollected revenue.	Y	The Senior Manager will research the prior years payments and will invoice for any missed payments.
	TITLE OF RESPONSIBLE PERSON		TARGET DATE
	Senior Manager		30-Jun-23
	IF IN PROGRESS, EXPLAIN ANY DELAYS		IF IMPLEMENTED, DETAILS OF IMPLEMENTATION
#	RECOMMENDATION	CONCUR Y/N	ACTION STEPS
8	We recommend the Director of the Department of Emergency Communications ensure compliance with the City's Cash Collection Policy.	Y	The Senior Manager will develop and SOP to outline the internal process to comply with this policy.
	TITLE OF RESPONSIBLE PERSON		TARGET DATE
	Senior Manager		1-Jan-23
	IF IN PROGRESS, EXPLAIN ANY DELAYS		IF IMPLEMENTED, DETAILS OF IMPLEMENTATION
#	RECOMMENDATION	CONCUR Y/N	ACTION STEPS
9	We recommend the Director of the Department of Emergency Communications develop a listing of all available leasing opportunities in the City.	Y	The Department of Emergency Communications is working to advertise an RFP for professional management of the Tower Lease program. A listing of all available leasing opportunities is one of the requested services. Procurement requisition 220013780 was submitted on 5/23/2022 for Procurment Services to advertise for this proposal.
	TITLE OF RESPONSIBLE PERSON		TARGET DATE
	Senior Manager		31-Dec-23
	IF IN PROGRESS, EXPLAIN ANY DELAYS		IF IMPLEMENTED, DETAILS OF IMPLEMENTATION
#	RECOMMENDATION	CONCUR Y/N	ACTION STEPS
10	We recommend the Director of the Department of Emergency Communications ensure telecommunications tower leases are professionally managed either internally or externally with persons that have specialized training in regards to marketing, negotiating, and managing the leases.	Y	The Department of Emergency Communications is working to advertise and RFP for professional management of the Tower Lease program. Procurement requisition 220013780 was submitted on 5/23/2022 for Procurment Services to advertise for this proposal.
	TITLE OF RESPONSIBLE PERSON		TARGET DATE
	Senior Manager		31-Dec-23
	IF IN PROGRESS, EXPLAIN ANY DELAYS		IF IMPLEMENTED, DETAILS OF IMPLEMENTATION

APPENDIX B: MANAGEMENT RESPONSE FORM

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#	RECOMMENDATION	CONCUR Y/N	ACTION STEPS
11	We recommend the Director of the Department of Emergency Communications ensure all leases in holdover are renegotiated and submitted to City Council for approval.	Y	The Senior Manager will negotiate the leases in holdover and submit them to City Council.
TITLE OF RESPONSIBLE PERSON			TARGET DATE
Senior Manager			1-Jul-24
IF IN PROGRESS, EXPLAIN ANY DELAYS			IF IMPLEMENTED, DETAILS OF IMPLEMENTATION
#	RECOMMENDATION	CONCUR Y/N	ACTION STEPS
12	We recommend the Director of the Department of Emergency Communications and the City Attorney finalize and use a template for telecommunications tower leases.	Y	The Sr. Assistant Attorney will finalize the template lease.
TITLE OF RESPONSIBLE PERSON			TARGET DATE
Sr. Assistant City Attorney			1-Jul-22
IF IN PROGRESS, EXPLAIN ANY DELAYS			IF IMPLEMENTED, DETAILS OF IMPLEMENTATION
#	RECOMMENDATION	CONCUR Y/N	ACTION STEPS
13	We recommend the Director of the Department of Emergency Communications implement a process to store and maintain lease documentation digitally.	Y	The Senior Manager will implement a digital filing system to track all documents required as per the lease agreement.
TITLE OF RESPONSIBLE PERSON			TARGET DATE
Senior Manager			1-Jan-23
IF IN PROGRESS, EXPLAIN ANY DELAYS			IF IMPLEMENTED, DETAILS OF IMPLEMENTATION
#	RECOMMENDATION	CONCUR Y/N	ACTION STEPS
14	We recommend the Director of the Department of Emergency Communications ensure all lessees have adequate insurance coverage in place per the lease agreements.	Y	The Senior Manager will review each lease to ensure proper insurance documentation is maintained as per each lease agreement.
TITLE OF RESPONSIBLE PERSON			TARGET DATE
Senior Manager			30-Jun-23
IF IN PROGRESS, EXPLAIN ANY DELAYS			IF IMPLEMENTED, DETAILS OF IMPLEMENTATION
#	RECOMMENDATION	CONCUR Y/N	ACTION STEPS
15	We recommend the Director of the Department of Emergency Communications close the Special Revenue Fund Account and have the money moved to the General Fund.	Y	The Senior Manager will close the Special Revenue Fund and move this funding into the General Fund as part of the FY2024 Budget.
TITLE OF RESPONSIBLE PERSON			TARGET DATE
Senior Manager			1-Jul-23
IF IN PROGRESS, EXPLAIN ANY DELAYS			IF IMPLEMENTED, DETAILS OF IMPLEMENTATION

APPENDIX B: MANAGEMENT RESPONSE FORM

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#	RECOMMENDATION	CONCUR Y/N	ACTION STEPS
16	We recommend the Director of the Department of Emergency Communications work with the Department of Planning and Development Review Director so that PDR informs DEC of new tower permit applications.	Y	The Director of the Department of Emergency Communications will work with the Director of Planning to establish a notification process when a new tower permit application is received.
	TITLE OF RESPONSIBLE PERSON		TARGET DATE
	Director of DEC / Director of PDR		1-Jun-23
	IF IN PROGRESS, EXPLAIN ANY DELAYS		IF IMPLEMENTED, DETAILS OF IMPLEMENTATION
#	RECOMMENDATION	CONCUR Y/N	ACTION STEPS
17	We recommend the Director of the Department of Emergency Communications research sub-license agreements and ensure the City is receiving the most beneficial percentage from all sub license agreements located on City property.	Y	The Department of Emergency Communications is working to advertise and RFP for professional management of the Tower Lease program. A review of our current leases/sublicenses, and the terms included. Procurement requisition 220013780 was submitted on 5/23/2022 for Procurment Services to advertise for this proposal.
	TITLE OF RESPONSIBLE PERSON		TARGET DATE
	Senior Manager		31-Dec-23
	IF IN PROGRESS, EXPLAIN ANY DELAYS		IF IMPLEMENTED, DETAILS OF IMPLEMENTATION