



MINUTES

LOS ANGELES
REGIONAL INTEROPERABLE COMMUNICATIONS SYSTEM AUTHORITY

FINANCE COMMITTEE MEETING

Thursday, October 27, 2011: 1:00 p.m. to 2:30 p.m.
Los Angeles County Sheriff's Department Media Conference Room
4700 W. Ramona Blvd., Monterey Park 91754

Official Voting Members Present:

Greg Simay, Chair, representative for City of Burbank, At Large
Erick Lee, Secretary, representative for Culver City, At Large
Doug Cline, representative for County of Los Angeles Fire Department
Andrew Fox, representative for City of Los Angeles Fire Department
June Gibson, representative for City of Los Angeles, Chief Legislative Analyst
Stephen W. Hannah, representative for City of Long Beach
Daniel Jordan, representative for California Contract Cities Association
David Lantzer, representative for Los Angeles Area Fire Chiefs Association
Ed Roes, City of Los Angeles Administrative Office
Steve Smith, representative for City of Covina, At Large
Jan Takata, County of Los Angeles Chief Executive Office
Eric E. Tsao, representative for City of Torrance, At Large

Representatives For Official Voting Members Present:

Nancy L. Ramirez, representative for LAUSD Police Department

Others Present:

Patrick Mallon, LA-RICS
Susy Orellana-Curtiss, LA-RICS

Official Voting Members Absent:

Ed Medrano, Vice Chair, representative for Los Angeles County Police Chiefs Association
James Alther, representative for LAUSD Police Department
Dave Culver, representative for County of Los Angeles Sheriff's Department
Chris Hansen, representative for City of Los Angeles Police Department
Andree Stecker, representative for County of Los Angeles Department of Health Services



1. CALL TO ORDER

A meeting of the Los Angeles Regional Interoperable Communications System Finance Committee was called to order on October 27, 2011 at 1:10 p.m. by the Committee Chair Greg Simay.

2. ANOUNCE QUORUM – Roll Call

Formal roll call performed with an acknowledgement of a quorum.

3. OLD BUSINESS – None

4. NEW BUSINESS – None

4.1 LA-RICS Public Finance and Revenue Options

Committee Chair Greg Simay advised that under the \$600M working estimate for the LMR system, the JPA has secured approximately \$150M in grants. That leaves a gap of approximated \$450M that needs to be funded by an unidentified source. This gap is likely too costly for the member agencies to fund from themselves. The public sentiment towards ballot initiatives means that public financing is likely to be politically challenging. Committee Secretary Erick Lee added that these conditions have not changed over the past few months. Executive Director Patrick Mallon added that the JPA will not know the true costs associated with the system until proposal in response to the RFP are received from vendors.

4.2 Projections/Recommendations on Future Grant

Committee Chair Greg Simay suggested that there are two issues about grants that the Committee needs to be concerned with. First is the prospect of the receipt of future grant funding. Second is the flexibility and limitations on the types of expenditures the grants can be used for. Susy Orellana-Curtiss advised that the BTOP grant cannot be used for construction. She also advised that staff is working with the UASI and SHSGP administrators to obtain more flexibility in the types of allowable expenditures. Furthermore, she advised that staff will be working with the vendor who is ultimately selected for the project to prioritize spending in order to maximize grant spending. At this point, the JPA has an estimated \$480M worth of projected costs that would be allowable grant expenditures under state/federal grant guidelines.

Susy Orellana-Curtiss also advised that SHSGP '08 is on its final extension and needs to be closed out in May 2012. LA-RICS has \$6M worth of projects in this grant that needs to be spent. Executive Director Patrick Mallon advised that this \$6M will be spent on system design once an agreement is in place with a vendor. He also advised that he is confident that the JPA will be able to spend these funds by the May 2012 deadline. Susy Orellana-Curtiss advised that a contingency plan for these funds is being developed by the CEO's office.



4.3-5 Finance and Revenue Options and Phasing

Committee Chair Greg Simay suggested that the eventual agreement with the vendor should recognize that phasing will occur as funding is available to the JPA.

Committee Member Andrew Fox suggested that the Committee resume working on cost allocation formulas again. He indicated that an equitable formula can be developed now, with actual costs plugged-in to the formula once those costs are known. He further advised that the development of an equitable formula is a task that is separate and distinct from the issue of affordability.

Committee Member Eric Tsao added that the cost allocation formulas should include provisions for the reality that members have the ability to opt-out of the JPA.

The Committee agreed to resume work on cost allocation formulas at its next meeting. Committee Chair Greg Simay also added that staff will present a report on various membership options available to the JPA at a future meeting.

4.6 Revenue Opportunities from Private Sector Participation, Including Developer Fees

Committee Chair Greg Simay suggested that the JPA funding plan should include provisions for private sector participation. For example, if the region would likely benefit from a sports stadium complex operating on the network. The fees paid by the private entity could offset O&M expenses that would otherwise be paid by members.

4.7 Assuring that Contract Cities Would Not Be Double Charged

Committee Chair Greg Simay advised that the agreements that many contract cities maintain with the County of Los Angeles are not uniform and vary on a city-by-city basis. He further advised that the concern of the contract cities is that they would be paying twice for radio services: once in their administrative overhead fee to the County and again as a member of the JPA. Susy Orellana-Curtiss advised that staff would contact the County CEO's office about this issue and report back to the Committee in early January or February of 2012.

4.8 Public Financing Versus Withdrawals Following Adoption of the Funding Plan

The Committee discussed the issue of developing a funding plan that is not workable because members have the ability to opt-out of the JPA. Committee Chair Greg Simay suggested that the funding plan ultimately recommended by the Committee should be robust enough to withstand the possibility that members will have the ability to withdraw from LA-RICS.

4.9 Separation of "Data System" Financing Plan from "Voice System" Financing Plan

Committee Chair Greg Simay suggested that it might be advantageous or necessary to develop separate funding plans for the data and voice systems. He also advised that the terms of the BTOP grant may specify whether separate funding plans would be required by the grantor. The Committee agreed that direction from the board is needed on this issue.



5. PUBLIC COMMENT – None
6. ADJOURNMENT AND NEXT MEETING:

The next meeting is scheduled for Wednesday, November 30, 2011 at 1:00 p.m. The location will be determined shortly.

Meeting adjourned at 2:08 p.m.

APPROVED