



MINUTES

LOS ANGELES
REGIONAL INTEROPERABLE COMMUNICATIONS SYSTEM AUTHORITY

FINANCE COMMITTEE MEETING

Thursday, June 28, 2012 • 1:00 p.m. to 2:30 p.m.
Sheriff's Department Headquarters, Media Conference Room
4700 W. Ramona Blvd., Monterey Park, CA 91754

Official Voting Members Present:

Stephen Sotomayor, Chair, representative for City of Los Angeles Police Department
Dave Culver, representative for County of Los Angeles Sheriff's Department
Ed Roes, City of Los Angeles Administrative Office
Erick Lee, representative for Culver City, At Large
Eric E. Tsao, representative for City of Torrance, At Large
Daniel Jordan, representative for California Contract Cities Association
Greg Simay, Chair, representative for City of Burbank, At Large
Doug Cline, representative for County of Los Angeles Fire Department
Andree Stecker, representative for County of Los Angeles Department of Health Services
Jan Takata, County of Los Angeles Chief Executive Office
David Lantzer, representative for Los Angeles Area Fire Chiefs Association

Representatives For Official Voting Members Present:

Kevin Nida, representing John Vidovich for the City of Los Angeles Fire Department
Nancy Ramirez, representing James Alther for the LAUSD Police Department

Others Present:

Pat Mallon, LA-RICS

Official Voting Members Absent:

Kevin McClure, Vice Chair, representative for Los Angeles County Police Chiefs Association
Stephen W. Hannah, representative for City of Long Beach
June Gibson, representative for City of Los Angeles, Chief Legislative Analyst
Steve Smith, representative for City of Covina, At Large



- I. CALL TO ORDER
- II. ANNOUNCE QUORUM – Chair Stephen Sotomayor asked for verbal roll call which confirmed quorum.
- III. APPROVAL OF MINUTES (2)

1. May 31, 2012, LA-RICS Finance Committee Meeting Minutes. **MOTION APPROVED**

Motion to Amend Minutes

Committee Member Erick Lee observed that on Page 2 under REPORTS, Committee Member Kevin McClure should be addressed as Vice Chair and on page 3 “cities” should be “all member agencies of the JPA”. **MOTION APPROVED**

- IV. REPORTS

2. LA-RICS Grant Update

Chair Stephen Sotomayor addressed Arnaldo de De La Paz regarding the Grant Status Report for BTOP and SHSGP. Mr. De LA Paz stated that he reported them “on temporary hold” and the availability of projects can be spent by category. Expenditures have been updated. The report is separated by grants then the second section is the SHSGP by date order since 2007 to 2011.

Chair Sotomayor stated that at the last meeting they had an extensive conversation on grants with Sara Henry. LA-RICS is working with NTIA, talked about BTOP and SHSGP grants. The Executive Director will go more into detail about the grant funding cycles identified for the LA-RICS project later. If LA-RICS cannot spend monies then what is the process in that, as also previously discussed that there are both work groups for SHSGP and UASI grants that ultimately the approval Authority say how these grants are used and how they become distributed in the event that they cannot be utilized towards the LA-RICS project. That is not necessarily the function of the administrators but more or less the Board is identified by the Department of Homeland Security made of up first responders that made the decision the money goes to first the priorities of responders not just divided to budgets or other aspects of that nature. Chair Sotomayor had staff address issues regarding all grants or any other related issues.

Executive Director Mallon recapped a few items that have happened the last couple of months. On February 22, 2012, President Obama signed into legislation H.R. 3630 the middle class tax relief job initiative of 2012. Contained in that legislation is a number of items that affect and effect the LA-RICS Project. One of the elements was that legislation awarded D-Block the 10 MHz and the 700 broadband spectrum to public safety; that 10 MHz is an addition to the 10 that had already been assigned to public safety to provide the foundation for a national



broadband system and that is the spectrum in which we were building the LTE broadband system. He referred back to a recording of haven gone through an evaluation in the January/February timeframe, that when we notified the vendors the proposers of the initiation of negotiations on March 19, 2012, and actually held a couple of sessions before we talked about terms and conditions. On April 2, 2012, we received a verbal notification from the Assistant Secretary of Commerce, Lorie Strickling, advising that the NTIA all the BTOP recipients, including LA-RICS, stand down spending any funds from the BTOP grants pending any further formal notification. On May 18, 2012, we actually did receive written notification from the NTIA informing of that it was their intent to suspend on a longer term basis any expenditure BTOP funds for LTE equipment (transmitters, the central core, the NOB's, the antennas, and any user equipment that would be grant funded). The suspension is due to the concerns of the NTIA regarding the standing up of FirstNet Authority, which was mandated by H.R. 3630, so that FirstNet could develop a nationwide architecture for the public safety broadband system so that it could be applicable across the county. As a BTOP recipient the other requirements that we have had was that our system had to connect with any other broadband system, of which there were 21 jurisdictions, seven of which had received BTOP funding, but there were another 14 that had received license agreements for the spectrum. Our requirement up to that point is that we have to ensure connection with every one of those other 20. There was also other discussion amongst the BTOP recipients and the other sub-licensees, as to how that was going to be done because there were so many other potential processes. The NTIA, in wanting to give FirstNet an opportunity to develop a nationwide architecture, in essence dictate what type of equipment we would be needing to the broadband system, expects there to be a longer term suspension of availability to expend those funds. At the same time it was recognized by the Assistant Secretary that the BTOP funds was part of the ARRA (American Recovery and Rehabilitation Act) Project, they wanted those funds to stay within the local jurisdictions. The intent of the NTIA was that the BTOP recipients could continue to building out infrastructure (the sites, the monopoles, emergency generators, and the microwave backhaul). In that formal letter of May 18, 2012, we were given until June 25, 2012, to submit back to the NTIA an agreement that we would suspend purchase for a longer term for any of the BTOP funds for LTE equipment and we had to specifically show by line item in our budget what parts of the budget we were going to freeze, out of the \$154.6 million comes to about \$70 million dollars. At the same time we are also being told by the NTIA that that we can still proceed with the installation of the infrastructure. So that is how we stand on the BTOP right now. There is a pretty substantial change from what we had asked from our specifications.

Executive Director Mallon stated that the effects of H.R. 3630 is that it requires the FCC to auction T-Band, which is the radio frequency band, channels 14, 15, and 16 that LA-RICS is currently operating on and that they had largely planned on it for the LA-RICS system. They want to auction that frequency spectrum off in nine years and give LA-RICS two years to move. Chair Fujioka, Sheriff Lee Baca, and Executive Director Pat Mallon went to and visited the FCC and the TNIA on both the broadband and LMR side in May 2012. They specifically asked the FCC if in nine years they want LA-RICS to move and legislation says that the FCC will pay for it, we would like to consider, since we are building out a system, should move now and where do you want us to move, give us appropriate and sufficient spectrum and appropriate funding and we will consider to move right now. The FCC basically said that this legislation got us by



surprise and we had no clue that was coming and we have no spectrum, no money, we have no clue what we are going to do, we would like you to tell us what you would like to do. We did start examining some spectrum that is license to a lot of the JPA members (City of LA, LA County, City of Long Beach, and other smaller entities that all had and have licenses to spectrum in the 700/800 MHz band. The 700 MHz band was set aside for public safety and that seems to be were the FCC and the Public Safety General want to see the public safety end up. We started looking and actually exercised an amendment to the Project Management Consulting Contractor; we have with Jacobs, Project Management. We moved some hours from later phases of their contract into Phase Zero, which is pre-contract and asked them to do a study into the feasibility of us moving into a 700/800 system immediately. The end result of that was that while it could be done it would basically require the entire spectrum that is available in the County (in the 700/800 MHz), it would require significant investment, the user equipment in the T-Band, so we move to the 700/800 MHz, whether people have to buy a 700/800 radio or they have to buy a multiband radio or they will not work on the system. The bottom line was that while it was technically feasible, it was not practical to do that. So we walked away from the 700 as a potential move.

LA-RICS is still looking at ways that could look to move to a different spectrum and make it a slower progression that would allow users to replace their equipment when it comes to the end of its natural useful life and yet still be moving towards a spectrum that if the FCC would hold out the T-Band frequencies from underneath us, would still allow us to operate a LMR system.

LA-RICS is very close to finalizing that feasibility study right now, the draft report is due to LA-RICS on Tuesday, July 3, 2012, which will be presented to the Joint Powers Board of Directors on Wednesday, July 11, 2012. There are hopes for that; there are certain requirements as far as commitment of spectrum, although they haven't received that. LA-RICS today, has a pretty good understanding of what the NTIA will require. LA-RICS has one of two alternatives; either they continue building out on T-Band or look to a hybrid solution building out a combination of T-Band/700 frequency. Both of those would result in some change to the RFP. LA-RICS will be providing a status to the Board on July 11, 2012, with the hopes of receiving some direction on how they would like LA-RICS to proceed.

Executive Director Mallon reported on grants and said that he did not have anything on UASI because that is the LA City's purview, but have been communicating with them on the status of the project. He believe that this was a set of circumstances that was delivered upon them by the Federal Government in their action on H.R. 3630 and should certainly be some consideration to extending the UASI and the SHSGP grants for that matter to some future point because LA-RICS had been delayed specifically because of the government's actions. In discussing the UASI with the LA City, they have related some positive communication with FEMA and CalEMA fund and there is hope that we can at least get an extension on UASI '09. SHSGP expires about the same time and LA-RICS was told that there would not be an extension and that is for \$5.7 million. LA-RICS attended a meeting with SHSGP last week and reported that that they could not see that they could have all the funds by October 2012, particularly since at best they will be going back into negotiations at this point or whatever the Board will ultimately directs.



Executive Director Mallon stated that LA-RICS suggested to recommend the SHSGP Board there are some funds that can be used to pay for the consultant studies that they have done. Recognizing that LA-RICS will have to migrate at some point to 700/800 MHz are suggesting a recommendation to the SHSGP Board was that we be allowed to buy some user equipment in distributed as the SHSGP Approval Authority whatever formula they would like as far as the distribution equipment. That way purchased are done quickly and make a distribution based on recommendation with the SHSGP Board. That is a slight departure; the initial intent behind LA-RICS was that the LA-RICS LMR would be built around the infrastructure only; the system would not be corporate user equipment. This is an opportunity rather than lose the funds back to the Federal Government that LA-RICS can go ahead and acquire user equipment that can be distributed out because of the purchase perhaps we could command a better price. The is a SHSGP meeting scheduled for next week or very early the week after to take under advisement perhaps the redistribution of the SHSGP funds, and again as far as the UASI funds with hopes that LA City will be able to get an extension beyond October 8, 2012.

Executive Director stated that as far as the BTOP funds they will be able to spend and move forward with the infrastructure development of the equipment, purchases will be suspended until the national architecture development.

Committee Member Greg Simay had a couple of questions, beginning with BTOP to relate it to cash flow. In light of what has happened, he believes that the sum modification of the existing RFP will have to be redone or the procurement process will have to be modified to take into account this curve ball that they have been thrown. After that is resolved the vendor can go ahead against BTOP, at least the sites and the installation of the backbone are needed. Will there be significant expenditure on the site acquisition and antennas themselves or will most of the year will be taken up with getting the procurement lined up and then doing the engineering and site approval for the antennas, backbone. Executive Director Mallon stated that previous discussions LA-RICS released RFP004 and that is the second procurement, which made them very prescriptive in the site arrangement for the LTE system so that so that they could move forward with the CEQA environmental evaluation. The NTIA has been rather emphatic that they do not want LTE engineering, but have clarified that the NTIA does understand that in order for LA-RICS to ensure proper coverage they will need to do some coverage engineering which was done in the listing of the 255 sites. That is the scheme that LA-RICS has spent the last few months evaluating every one of those 255 sites and tried to identify all potential obstacles and oppositions that might occur by sticking with police stations and fire stations, city installations. We know that there are some sites that are just not going to work. The NTIA's requirement is that yes LA-RICS can do engineering to identify coverage and move forward with the installations of equipment; we just cannot use final design. There is some reasonable expectation that there will be some help.

Board Member Simay asked if at some point the NTIA will give LA-RICS a revised deadline instead of August 30, 2012, and revised seven mile stones. Executive Director Mallon stated that the NTIA and the Department of Commerce understand the impact that this has had and have in contact with the Office of Management and Budget about an extension on the grant although there is no formal notification.



Board Member Simay stated that on the LMR side, if the T-Band were still available to LA-RICS, would the hybrid be more desirable than the T-Band apart from the legislation that drove it, and is the only reason that LA-RICS is going to the hybrid is to give LA-RICS a way to go in case the legislation cannot be modified. Executive Director Mallon stated that there is a group that is called NIPSTICK (something to do with the broadband system). Then there is a working work that I am participating as well as the executive director of ISIC that is certainly trying to assemble some information on the impact that H.R. 3630 will have to do with those agencies. The eleven barge jurisdictions in the country now that operate on T-Band, New York being a huge one, Chicago, Los Angeles, Philadelphia, and Boston. T-Band users feel that congress was uninformed about the impact that their decisions will have on those agencies that operate on T-Band. Whether that gains some traction or not, the Feds are going to look at to balance the budget on the sale of this spectrum and there is certainly a huge push in the commercial industry to acquire additional band because of the operation of black berries. The potential in that is a real unknown. He believe that LA-RICS has the ability, with the ability, with the commitment of their own spectrum, to develop this hybrid system will still allow utilization of a T-Band 10 frequencies, the 700 frequencies, and under a digital truck system, when a user pushes a button on a radio they will not know the difference and they will still be able to talk to everyone. Perhaps Battalion Chief Nida can fill in a bit more on some of the in building/penetration, the 700 spectrum in the in buildings, like the high rises would probably be better than the T-Band.

Battalion Chief Nida agreed with Executive Director Mallon and said that yes that 700/800 penetrated better inside buildings UHF propagates better outside, so there will be a need for a few more sites on the 700/800 design, but there will be a need for fewer sites if the original T-Band design in enhanced in building coverage. There are a few more sites, but in a way it now balances out, like the LA County Fire Dept. can cover the entire city with only nine sites and have excellent in building coverage, it really goes into the design but 700 propagates very well.

Board Member Erick Lee spoke in regards to the Grant Status Report, and asked about the UASI grants. Executive Director Mallon stated that LA City handles that. Someone from LA City was expected to show up but did not. Board Member Lee wanted to know if there was any amount on the UASI in 2009 that is going to expire, he believes that it is September. Sara Henry stated that it was 23.9 million. Executive Director Mallon stated that had LA-RICS been allowed to go on with the negotiations and the procurement process that was going on there would have been a contract the funds would have been spent. The delay that we are encountering now is not a result of anything that was done by LA-RICS' action.

Board Member Lee asked f UASI is much more receptive than SHSG. Executive Director stated that yes. Board Member Lee asked when will it be known whether those will be extended or not? Executive Director referred the question to Chair Sotomayor. He stated that for UASI '09 that the Department of Homeland Security (DHS) is aware of what occurred with legislature, they are trying to react to it as well. As previously mentioned, October is the date, the most important thing they are probably looking for is us to look for a way to get a contract plan and LA-RICS moving forward and be receptive as to how LA-RICS will move forward. As



far as he understands, DHS and FCC did not see it coming and they are still trying to reconcile those two agencies.

Board Member Simay stated that he would not give up on changing the legislation, it is not a way to reducing the deficit which would make it harder to dislodge. After the dust dies down after the November election, maybe there will be a chance to repeal or at least have some language to the effect and will not move until there is enough spectrum and technology and wait to return the control more locally.

Board Member Lee stated that he has concerned with there being \$24 million dollars that is expiring in 90 to 130 days, and would like to know if there is a back-up plan. What is the extension? What are they going to go? Executive Director Mallon stated that that was up to the UASI Approval Authority. Chair Sotomayor stated that he thinks that DHS would like to ultimately like to see LA-RICS plan and how they are going to move forward, and it is important to remember that each UASI period is a performance period. In light of what happened he believes that DHS understands the situation that LA-RICS is facing, therefore that will have to be a conversation that the Approval Authority has with LA-RICS. Sara Henry clarified that there is a three year performance, but a five year appropriation, technically having two years passed the three years to ask for extensions in six-month increments. Chair Sotomayor stated that they are still trying to work it out on their end as well, where they are still reconciling with the FCC.

Board Member Lee's understanding of the \$5.8 million dollars that is expiring for SHSGP (due in September 2012) is possibly being reallocated back to the region and not LA-RICS.

LA-RICS went to the SHSGP Approval Authority Meeting last week and reported to them that unless there was an extension granted, LA-RICS will not have a contract. They did present them with a recommendation that they felt would be in the interest of the interoperability that would provide user equipment that would be distributed the area to all member agencies and could be done within the timeframe. Part of that is that there are some consulting costs that were encountered as a result of the frequency studies from the 700/800 system and some activities as in going to evaluate these sites, so felt that LA-RICS would spent \$700,400 to a million dollars and the remainder would be about \$5 million in equipment.

Board Member Lee asked is that was what they would be making a decision on next week. Executive Director said yes and also the discussion was that if there are other entities that feel that they can have those funds and get those funds expended by the end of September and it would be in the interest of interoperability that they could propose something, so the decision of the meeting last week was to have another SHSGP meeting in which jurisdictions would have the opportunity to submit requests for funding for interoperable purposes.

Board Member Lee stated that the next time that they get a grant update if they could have something similar to the SHSGP update for UASI, even though LA City administers that grant, but LA-RICS being the recipient of it, all information should be there. LA-RICS is only a recipient when there is a sub-recipient agreement in place, and there is none in place. Chair Sotomayor stated that it was a good point; the money has been identified but has not been out



and formally contracted for it at this point with LA-RICS. Board Member Lee would like to know what has been allocated and Chair Sotomayor stated that it was noted and would have information next time.

Board Member Simay stated that at least politically the deal that was cut was that independent cities, that even though LA got the UASI money on behalf of the region. Chair Sotomayor stated that LA is only the administrator of UASI, but the UASI Approval Authority is the actual decision making body comprised of first responders that makes decisions on how that money is allocated. Board Member Simay wanted clarification that the understanding was that the Approval Authority would look to the needs of the region and its various constituents, including independent cities and has been a sore point with some of those cities because their needs have not been taken under account and that is why they want timely information.

Board Member Eric Tsao stated that it is assumed that the extension will be granted, but on a timeline, at what point that that is no longer possible. Chair Sotomayor stated that he could not speak on the behalf of the Approval Authority because that is their call. Board Member Lee stated that is that not the mechanic of the denial or approval, it will happen at some point, when does the question of the approval happen? Chair Sotomayor stated that LA-RICS has to get a plan together and that plan will be the basis if whether DHS will it be an allowable use, but overall it comes to a point where it is the UASI Approval Authority will feel that maybe they are running out of time on the grant funds and need to have that conversation of whether or not to put it towards the project.

Executive Director Mallon stated that where do we go from here will be addressed on July 11, 2012, and once we have direction from the JPA then we can establish a timeline on whatever options are available and whatever the Board choses, LA-RICS will certainly be working with the Grant Administrator and then know what the timeframe is.

V. NEW BUSINESS

3. LA-RICS Finance Plan Schedule and Finance Subcommittee Schedule

Chair Sotomayor stated that he, Pat Mallon, and the Jacobs Engineering Team met to discuss moving forward with the LA-RICS Finance Plan Schedule and Finance Subcommittee Schedule. Within LA-RICS there are many things changing and looking at many items, therefore at what point is the Finance engaged and responsible for providing a funding finance plan project prior to entering into a contract. Project phasing is one of the items that were looked at; therefore the subcommittee team will be formed along with the Jacobs Team and the Executive Director. Chair Sotomayor would like there to be a Finance Subcommittee Working Group meeting on the week after July 16, 2012.

VI. SCHEDULED COMMUNICATION – None

VII. PUBLIC COMMENT – None

VIII. ITEMS FOR FUTURE DISCUSSION BY THE COMMITTEE



Workshop: LTE & LMR Funding Plans and Project Phasing
Workshop: Contract Cities and the Cost Allocation Model

Board Member Simay stated that there used to be a Membership Committee, separate from the Finance Committee, the nexus with the Finance Committee was that one of the options was could a LA-RICS me a member of BTOP but not the LMR. In part because of the funding and it could be easier to see the BTOP grant and see where it is going and agencies lack a broadband system. He brought it up as a reminder that the Membership Committee should meet up in the months to come. Executive Director Mallon stated that he would be talking to JPA Chair Bill Fujioka tomorrow. Also with the budget modification due to the NTIA has to do with the distribution of the grant funds and the match funds, although he suggests that the FirstNet Authority to establish a national architecture and then make a determination as to how they are going to proceed, that is to authorize individual projects, LA-RICS okayed to do the implementation of the broadband here in LA, or will FirstNet have one huge contract commercial provider, they are going to take at least a year to figure out what they are going to do, so LA-RICS may not know anything for 12 months.

IX. ADJOURNMENT AND NEXT MEETING:

Chair Sotomayor participated in a promotional ceremony in the morning for former Captain Kevin Nida, congratulations on his promotion to Battalion Chief.

The next meeting will be held:

When: July 26, 2012, at 1:00 p.m.

Where: Los Angeles Sheriff's Department Headquarters, Media Conference Room,
4700 W. Ramona Blvd., Monterey Park, CA 91754.

Meeting adjourned at 1:46 p.m. by consensus.