



MINUTES

LOS ANGELES REGIONAL INTEROPERABLE COMMUNICATIONS SYSTEM AUTHORITY

FINANCE COMMITTEE MEETING

Thursday, July 25, 2013 • 1:00 p.m. to 2:30 p.m.

LA County 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
Jan Takata, County of Los Angeles Chief Executive Office
Doug Cline, representative for County of Los Angeles Fire Department
Dave Culver, representative for County of Los Angeles Sheriff's Department
David Lantzer, representative for Los Angeles Area Fire Chiefs' Association
Daniel Jordan, representative for California Contract Cities Association
Eric E. Tsao, representative for City of Torrance, At Large #1
Erick Lee, representative for Culver City, At Large #2

Representatives For Official Voting Members Present:

Joshua Drake, representing Matias Farfan for City of Los Angeles, Chief Legislative Analyst
Nancy Ramirez, representing James Alther for the LAUSD Police Department

Others Present:

Pat Mallon, LA-RICS
Susy Orellana-Curtiss, LA-RICS
Truc Moore, LA County Council

Official Voting Members Absent:

Ed Roes, City of Los Angeles Administrative Office
Ronnie Villanueva, representative for the City of Los Angeles Fire Department
Matias Farfan, representative for City of Los Angeles, Chief Legislative Analyst
Andree Stecker, representative for County of Los Angeles Department of Health Services
James Alther, representative for the LAUSD Police Department
Olivia Valero, representative for City of Long Beach
Robert Barnes, representative for Los Angeles County Police Chiefs Association
Greg Simay, Vice Chair, representative for City of Burbank, At Large #3
Steve Smith, representative for City of Covina, At Large #4



- I. CALL TO ORDER
- II. ANNOUNCE QUORUM – Chair Stephen Sotomayor took roll call, quorum was reached.
- III. APPROVAL OF MINUTES – May 30, 2013, LA-RICS Finance Committee Meeting Minutes.
Committee Member Eric Lee called the 1st motion and Committee Member Joshua Drake called the 2nd. **MOTION APPROVED.**

IV. REPORTS –

Executive Director Pat Mallon provided updates:

The Board Agenda for August 1, 2013, will be posted by Friday, July 26, 2013. One of the items is the approval of the Motorola contract with the release of the RFP. Truc Moore, Counsel, stated that the Board Members would be receiving a Confidential County Counsel Memo, one or two days of posting.

LA-RICS had received a Notice of Intent to request a proposed contractor review and received a letter from Raytheon stating that they would not follow through with the Protest, which gives LA-RICS clearance to continue.

There is no Summary Sheet (Agenda has the contract), but due to the size of the document and the material, there will probably be a closed discussion.

Total Costs were shared with the Board Members and Finance Committee:

The total cost for the Motorola proposal was \$280,355,000.00, which includes 15 years of maintenance. If you remove the maintenance cost the cost drops to \$224,456,437. The base contract is \$150 million, and then there is \$75 million for additive alternatives. LA-RICS asked for separate pricing in three areas: the Downtown L.A. was a little bit over \$19 million; the pricing on the MTA/Metro Link coverage was \$4.8 million; and also for mandatory in-building coverage that would be needed down the road at \$30 million.

LA-RICS is in the first stages of the RFP Issue to Proceed on Phase I, which is a detailed design that entails a 12-month process. Committee Member Lee asked when LA-RICS anticipates a funding plan in place. Executive Director Mallon stated that at the end of the detailed design which is about 12 months.

Committee Member Eric Tsao asked about grant funding extensions. Executive Director Mallon stated that it will be much easier to ask for an extension of UASI 10' with the execution of the contract. He met with FEMA along with City representatives in early May 2013 and they were very supportive of the project.

Executive Director was asked if once the contract is approved, if LA County will be paying the contractor until it is reimbursed by UASI, and if there was any cost sharing with that. He said that there is no match reimbursement for Phase I.



The Executive Director was asked what radio frequency would LA-RICS be using and he said that the digital trunked system will be operating on both UHF and 700 MHz. He was also asked if there was enough 700 MHz spectrum, he said as of today LA-RICS would need both to have sufficient capacity.

Chair Sotomayor asked that the Executive Director provide a report on the upcoming LTE RFP. Executive Director Mallon stated that at the July 11, 2013, meeting the JPA approved the release of the LTE System RFP, with the hopes of having it released by the end of July 2013, which is next Wednesday, or maybe 2-3 days after that.

In order to release the RFP and to request an extension of the grant in the lifting of the suspension, LA-RICS is required to execute a Spectrum Managers Lease Agreement with the First Responders Network Authority.

Chair Sotomayor asked the Executive Director, in regards to the LTE system, to provide an updated definition of a first responder. Executive Director Mallon stated that looking at the language of Public Law 112-96 (the Act that set-up the First Responders Broadband Network [FirstNet]), it defined the 20 MHz of spectrum to be dedicated to provide public safety. Before the LMR system, agreed that the inclusion of Secondary Responders was imperative to the LA-RICS system, specifically some agencies that maintain a radio system that supports their police, fire, and other municipal services e.g. parks or roads. Economically for those agencies to transition to LA-RICS they needed some kind of consideration as to what to do with other ongoing operations. The Board recognized that there are times of emergency that those Secondary Responders would be used as Primary Responders. For example, bus service can assist in evacuating a large amount of people; there will the need to communicate with those buses.

In discussing the participation in the Public Safety Broadband System and in the execution of the Spectrum Managers Lease Agreement, LA-RICS needed to identify a demonstration area for FirstNet so LA-RICS could show the rest of the country can be done. The demonstration is to show how LA-RICS can adjust the quality of service for those secondary responders during situations when things might change.

What was identified was the inclusion of secondary and third responders. If losing the LMR, bringing on board those secondary responders would be good at an operational and financial stand point. Also keep in mind that in major emergencies, such a windstorm, there is a need to keep in communication with public utilities such as Edison and Department of Water and Power (DWP), probably as a third tier user would have business sustainability. Those two agencies also have an extensive fiber network that benefits them and LA-RICS. There is also a second meeting scheduled with Edison and DPW to discuss their potential participation.

V. NEW BUSINESS –

1. Discussion/Action Item: Recommend that the Executive Director retain consultant services to assist the Finance Committee in the development and preparation of the LA-RICS Funding Plan.



Chair Sotomayor stated that it would be helpful in preparing the funding plan to have a consultant or someone that specializes in the field of finance to look at what this Committee puts together and to package it into different approaches that we can look at and present to the Board; notably for the reason of having a report (based on policy decisions and the JPA Authority would like to see) to present to the Board, but also the idea that it comes from an impartial source that can make recommendations to the Board without prejudice.

Committee Member Jan Takata is working with the LA County Chief Information Officer (CIO) and their IT Division on creating a list of potential consultants.

Chair Sotomayor stated that the first choice in funding the system is to leverage the grants that already exist. With both UASI and SHSGP that makes it a bit over \$100 million that is available to the Authority. That amount could probably carry LA-RICS through quite a significant portion of the project, based on the pricing that the Executive Director just mentioned and should the UASI Approval Authority and Congress continue to make available additional grants. Once the contract is signed, LA-RICS is in a much better position to ask for that additional funding and with a gap that seems to be \$100 million. An additional five years of UASI and SHSGP funding would probably make up that difference and leave LA-RICS with a grant funded infrastructure that would meet the needs and that would allow LA-RICS to look at how to finance or define subscriber fees for operations and maintenance, as well as a replacement for reserve versus to paying debt service.

He was also asked who would select the consultant, which would be the Finance Committee and they would report to the Committee as well, since the Committee is the one coming up with a funding plan.

Committee Member Takata stated that the CEO is trying to come up with a short list of consultants to provide to the Committee within the next couple of weeks, so that the Committee can look over the list and even interview consultants, if need be. He went on to state that the CEO is ready to issue a Delegated Authority contract, but are trying not to be perceived as trying to direct the process. Therefore, once the Committee makes a decision, then the cost could be determined and execute the contract very quickly. Committee Member Takata does suggest that in terms of Scope of Work it should be done in phases; there should be an initial phase just to give the Committee a basic understanding.

Chair Sotomayor was asked if consultants come to the next meeting, would the meeting time frame be longer. He said that he would work with the Executive Director to make arrangements if needed.

Committee Member Lee suggested to amend the recommendation to state:
Recommend that the Executive Director ~~retain~~ propose consultant services to assist the Finance Committee in the development and preparation of the LA-RICS Funding Plan.

Committee Member Lee called the 1st motion and Committee Member David Lantzer called the 2nd. **MOTION APPROVED.**



VI. OLD BUSINESS –

2. Discussion Item: LA-RICS Funding/Finance Plan.

Chair Sotomayor stated that this section of the Agenda has already been touched upon under New Business.

Chair Sotomayor said that the Committee should be near having a funding plan ready for the JPA with the detailed design or near the detailed design.

Chair Sotomayor also stated that there is BTOP funding for the LTE system, but there is also a match associated with it, about 20% in which some of that is an in-kind match and another part of that has to be a cash match. This is something that is a bit more pressing that probably should be pushed even faster than the LMR funding plan.

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

VIII. ADJOURNMENT AND NEXT MEETING:

Meeting adjourned at 2:05 p.m. by consensus.

The next meeting is scheduled for August 22, 2013, at 1:00 p.m., LA County Sheriff's Department, 4700 W. Ramona Blvd., Media Conference Room, Monterey Park, CA 91754.