



MINUTES

LOS ANGELES
REGIONAL INTEROPERABLE COMMUNICATIONS SYSTEM AUTHORITY

SPECIAL FINANCE COMMITTEE MEETING

Thursday, January 9, 2014 • 1:00 p.m.

LA County Sheriff's Headquarters, Media Conference Room
4700 W. Ramona Blvd., Monterey Park, CA 91754

Official Voting Members Present:

Ed Roes, City of Los Angeles Administrative Office
Stephen Sotomayor, Chair, representative for City of Los Angeles Police Department
Dave Culver, representative for the Los Angeles County Sheriff's Department
Karoly Fruhwirth, representative for Los Angeles County Department of Health Services
James Alther, representative for the LAUSD Police Department
Olivia Valero, representative for City of Long Beach
David Lantzer, representative for Los Angeles Area Fire Chiefs' Association
Joe Leonardi, representative for Los Angeles County Police 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
Greg Simay, Vice Chair, representative for City of Burbank, At Large #3
Steve Smith, representative for City of Covina, At Large #4

Representatives For Official Voting Members Present:

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

Others Present:

Susy Orellana-Curtiss, LA-RICS
Truc Moore, County Counsel

Official Voting Members Absent:

Ronnie Villanueva, representative for City of Los Angeles Fire Department
Matias Farfan, representative for City of Los Angeles, Chief Legislative Analyst
Jan Takata, County of Los Angeles Chief Executive Office
Doug Cline, representative for County of Los Angeles Fire Department
James Alther, representative for Los Angeles Unified School District



I. CALL TO ORDER

II. ANNOUNCE QUORUM – Chair Stephen Sotomayor took roll call, quorum was reached.

III. REPORTS –

Executive Director Mallon was absent for the meeting. Susy Orellana-Curtiss provided an update on the status of LTE System, LMR System, and Grant Funding.

Ms. Orellana-Curtiss discussed the Draft Cost Allocation Working Paper, which was Item #7 from the JPA Board of Directors meeting, held on January 8, 2014, as well as comments regarding the draft allocation will be reserved as a discussion item.

Ms. Orellana-Curtiss stated that negotiations for the LTE procurement were ongoing. In regards to the LMR project, the work is ongoing and there were no change orders or changes since the last meeting report.

There were also no changes to the grant funding status since the previous month's meeting report.

IV. NEW BUSINESS – None

V. OLD BUSINESS –

1. Review PMC's Work Product

Chair Sotomayor introduced Derek Wong of PMC to discuss the results of the Stakeholder 2 workshop that was held in late December 2013. The purpose of the second stakeholder meeting was to review variables presented at the first stakeholder meetings and assign a weight in terms of importance to each variable that would drive the cost for the funding plan.

There were two common themes resulting from both Stakeholder 1 and Stakeholder 2 meetings. There was a strong preference to use variables associated with usage (or potential usage). There were policy and technical questions, as listed on page 1 of the LA-RICS Finance Committee Meeting Stakeholder #2 Meeting Summary ("Summary"), regarding how to measure usage and other costs associated with the plan.

At the Stakeholder 2 meeting, there were several suggestions on a funding plan split, not only between the LMR and LTE systems, but also to split the cost allocations within each system by 1) capital costs and 2) operations and maintenance.

Mr. Wong described how the Stakeholder 2 meeting was organized by forming small groups of individuals from cities that work in the same jurisdictions. The information found on page 3 of the Summary captures the data derived from the variable weighting exercise. Annual Dispatch Call Volume had the highest average rating for the LMR and LTE systems. Questions arose concerning infrastructure credit were also brought up at the Second Stakeholder meeting.



In regards to the LTE Metrics, the Maximum Available Data was difficult to determine with respect to cost factors because many jurisdictions were currently using an unlimited data plan. When the Maximum Available Data is removed from the LTE metrics and the remaining factors are re-adjusted, the Average Daily Data Use increases and represent the highest level of influence among the variables.

There were questions regarding the LMR metrics Annual Dispatch Call Volume because the figures were self-reported by agency and not independently verifiable. The figures could be biased and the numbers could be misrepresented especially among 80+ agencies. PMC indicated that agencies surveyed using other interoperable systems used the number of radios, population, or service area as determinants as opposed to usage. Proportionate use is favored.

There was a discussion concerning use of text, which would require fewer dispatchers and lowers personnel costs, or voice, as preferred by a smaller agency to determine personnel geographic location. It is important to build a funding model that will not hinder operational needs. San Gabriel Chiefs, roughly 1/3 of LA County chiefs, would prefer infrastructure credit for ICIS and may choose ICIS over LA-RICS. A request was made to add more weight to infrastructure credit to entice cities to use LA-RICS. ICIS' model is difficult for LA-RICS to compete with because, assuming that a participating city can build their own radio system and has spectrum, and there is a low incremental cost for using ICIS (\$40,000/year). Additional benefits to using ICIS would be that cities can add their own towers and the system would be operable for many years without capital replacement, however, some cities cannot build their own system and when the capital replacement becomes necessary, it would be costly to an agency. Another factor that would make LA-RICS competitive is the potential to use voice and data over what may become an obsolete radio system. Investment in LA-RICS in conjunction with ICIS could be less than the cost of replacing the ICIS system.

Infrastructure credit would not change the cost allocation but the assumption that ICIS infrastructure credit as having no value would drive member costs up. Applicable infrastructure credit could be decided by the committee at a later date. Discussion regarding infrastructure credit is limited and PMC should address it.

Chair Sotomayor discussed the natural migration pattern onto LA-RICS. In the future, agencies' radio systems have end of life which may occur during the 5-year build out of the LA-RICS system, at which point a need for 700 MHz or 800 MHz may be needed that LA-RICS can provide. In regards to LMR, agencies would use their existing systems to the point where they reach end of life and then migrate onto the LMR system for regional needs for emergency and day-to-day use. With respect to LTE, if we use infrastructure credit and charge for land, costs would be greater than using a commercial carrier at a rate of \$30/month, making it pointless to build out the LTE system. There are hopes that both systems will be paid out with the maximum amount of grant funding that would leave O&M costs to be paid by members. The question was posed what would happen to an agency that uses ICIS and joins LA-RICS membership in the future vs. an agency that joins LA-RICS from the beginning and paid O&M costs. For instance, LA City's system's end of life is anticipated to occur in 2016. The question for the city would be at what point would it be best for the city to migrate onto the LA-RICS



system and would this affect the cash flow. Migration with an existing system could potentially offset cost concerns. Ultimately, the end goal is for all agencies to join but do more outreach and find out what agencies have to offer and the worth of what they have to offer.

Chair Sotomayor went on to state that the funding plan, at the end of the comment period, may or may not be approved. If it is approved, agencies can still opt out of the LA-RICS membership. There is another period where members can vote on the revised funding plan. What is the fewest number of agencies in the membership to consider the system "regional"? Another issue with the funding plan is that it is based on full participation. Questions include: Does the funding plan take into consideration when the agencies will join; can the infrastructure credit be added to the plan, what makes most sense to agencies, financially? Use is a good way to determine the value of the system and looking at the system regionally. There is an incentive for agencies where region costs overlap because cost will go down. There are concerns over what the backbone system is guaranteeing such as when there are coverage holes.

Chair Sotomayor suggested defining Infrastructure credit between LMR and LTE. Also, it may be beneficial to use the migration plan for cost benefit for the agencies. When should agencies transition and how would the cash flow be affected?

Chair Sotomayor recommended that that long-term operational needs of the system be identified. A committee member questioned if the committee was to vote if usage was to be a cost as a primary or just a discussion. Chief Sotomayor confirmed that only a discussion was to take place.

PMC was expected to gather additional information regarding infrastructure credit by LMR and LTE and either meet with the Finance committee again or send the information to the committee due to difficulty of the committee to reconvene. Also, PMC will provide the migration plan (outstanding deliverable) for LMR and eventually the plan for LTE if awarded after negotiations.

Committee Member Greg Simay stated that Board Member LeRoy Jackson felt that under participation would occur in the South Coast cities. Whittier and Glendale were inconvenient locations for workshops. Pat Mallon recommended that a meeting be scheduled in Torrance.

Susy Orellana-Curtiss, LA-RICS staff, said that copies of sign-in sheets and questionnaires from the Stakeholder meeting would be provided to the Finance Committee. Thirty (30) agencies participated in the stakeholder meeting however multiple representatives attended from the same agencies. Multiple contract cities assume that the County will be working on their behalf. Once the County's allocation has been determined, how will the allocation be divided amongst the contract cities? After LA-RICS staff met with Katz and Associates, it was understood that many of these cities were going to wait until the funding plan numbers are available.

Due to miscommunication or misinformation, it would be beneficial to reengage PMC and meet with the agencies who show lack of interest in the system or have questions regarding the LTE



system and provide these agencies with a Questions & Answers sheet so that all agencies are properly informed. In addition, communication between all parties within an agency should be improved. A single point of contact should be established with LA-RICS personnel who will disseminate all appropriate information to all involved parties within an agency.

PMC was expected to be provided with information in a timely manner and develop initial numbers to present at the next meeting. If the numbers were not available for the next scheduled meeting, the Finance Committee would hold a special meeting at a later date. Initial cost figures were to be discussed at the next stakeholder meeting.

One committee member raised the question as to how the Finance Committee meeting locations are determined. Susy Orellana-Curtiss indicated that the locations are based solely on availability.

VI. PUBLIC COMMENT – None

VII. ADJOURNMENT AND NEXT MEETING:

Meeting adjourned at 2:08 p.m. by consensus.

The next special meeting date to be determined.

APPROVED