



MINUTES

LOS ANGELES
REGIONAL INTEROPERABLE COMMUNICATIONS SYSTEM AUTHORITY

SPECIAL FINANCE COMMITTEE MEETING

Tuesday, April 1, 2014 • 1:00 p.m.

LA County Fire Department Headquarters, Training Room 25

1320 N. Eastern Ave., Los Angeles, CA 90063

Official Voting Members Present:

Stephen Sotomayor, Chair, representative for City of Los Angeles Police Department
Jan Takata, County of Los Angeles Chief Executive Office
Ed Roes, City of Los Angeles Administrative Office
Olivia Valero, representative for City of Long Beach
Joe Leonardi, representative for Los Angeles County Police Chiefs Association
Daniel Jordan, representative for California Contract Cities Association
Erick Lee, representative for Culver City, At Large #2
Greg Simay, Vice Chair, representative for City of Burbank, At Large #3
Cynthia Evans, representative for County of Los Angeles Sheriff's Department
Eric E. Tsao, representative for City of Torrance, At Large #1

Representatives For Official Voting Members Present:

Joshua Drake, City of Los Angeles, Chief Legislative Analyst Office

Others Present:

Executive Director Mallon, LA-RICS
Susy Orellana-Curtiss, LA-RICS
Truc Moore, County Counsel

Official Voting Members Absent:

June Gibson, representative for the City of Los Angeles Fire Department
Doug Cline, representative for County of Los Angeles Fire Department
Matias Farfan, representative for City of Los Angeles, Chief Legislative Analyst Office
Kay Fruhwirth, representative for County of Los Angeles Department of Health Services
David Lantzer, representative for Los Angeles Area Fire Chief's Associations
Steve Smith, representative for City of Covina, At Large #4
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 Executive Director Mallon reported the following:

- The LMR system is about 80% complete with Detailed System Design. Continuing to hone the list of sites.
- The LTE system is about 70% complete with the site visits. LA County Sheriff & Fire, and LAPD sites are done, and LA City Fire will also be done in a few days.
- LA-RICS needs to have right of entry to some city sites to do soil test bores. If there is a delay to any decision, it will compromise our ability to complete the project in time.
- LA-RICS met with NTIA staff including Max Steinberg, Grant Administrator, who made it clear that NTIA wants the project to succeed in its entirety.
- Executive Director Mallon met with Bill D'Agustino, FirstNet General Manager. LA-RICS asked Mr. D'Agustino about FirstNet's ability to deliver support to LA-RICS in the form of a Redundant Core, Home Subscriber (HSS), as well as maintenance support or a system refresh. His response was that they still do not know.
- LA-RICS' recommendation to the Board on April 3, 2014, was to move forward with the procurement of a LTE second core, and HSS and not to anticipate any participation from FirstNet in maintenance. Also, to recommend to the Board that the Authority not begin accumulating any kind of system refresh for the LTE system. At some point, California will make a decision to whether to opt-out of the national system. If the state of California does opt-out, it will be assuming the responsibilities of the system. If the State decides to continues to opt-in, then FirstNet will ultimately assume the responsibility for the system.

Executive Director Mallon stated that if the project ran into entities that will not grant access to the sites, NTIA wants the coverage for those sites dropped and to move on with the project. A route modification to the grants will be submitted once determined. NTIA would rather see the project succeed in a smaller scale than no system at all. Coverage to some cities that will be on fringe could be affected if the city next to them declines site usage. He mentioned that there is an ability to roaming through Verizon Wireless, but that will result in additional charges.

Committee Member Lee asked how the resiliency of a roaming coverage provided by commercial carrier versus the PSBN. Executive Director Mallon stated that failure of a commercial site will definitely impact the coverage. Unlike with PSBN, it has public safety standard, there is redundancy and backhaul, emergency generation and has spectrum specifically dedicated to support public safety. He added that even if the city opt-outs, they should allow LA-RICS to do the installation because if there is an emergency in that city the resources coming in from the assisting cities will need the PSBN service.

Committee Member Greg Simay commented that with the current system, if maximum participation, the system in its initial phase would offer county-wide coverage but may not



necessarily offer capacity during emergency conditions. Executive Director Mallon disagreed and said that access to the full 20 MHz spectrum provides a significant amount of capacity. Executive Director Mallon went on to add that capacity is not determined by the number of cell sites within an area.

Technical Committee Chair Kevin Nida reiterated that the capacity is huge per site. In a major incident (like the Metro Rail accident), the system is capable to have 1 HD video stream, 5 standard streams, 20 voice over IP conversation, 205MB per hour of file transfer (3,000 pages per hour), 1,000 web pages per hour, and available for other data is 83GB per second. He added that if cities agree to put the sites in, there will be extremely strong and uniform coverage across the County.

Stephen Sotomayor asked about compensation across the whole Funding Plan for the LTE system. If cities do not participate, but have the key site to the coverage within their area; what will be the cost of a roaming be to insure full coverage within that jurisdiction?

Executive Director Mallon stated that LA-RICS is still working with the vendor to see where they can alleviate some of the maintenance cost. Second year maintenance cost are about \$5 million to \$6 million, but \$2 million is in leased fiber. They are working diligently to identify microwave links to avoid paying for leased fiber connectivity. LA-RICS staff is meeting with Southern California Edison and the Los Angeles Department of Water and Power, both having robust fiber systems.

Executive Director Mallon stated that he participated in the seminar regarding the future of T-Band. A panel participant, an attorney who has extensive dealings with FCC over the last 30 years, stated that he does not see Congress reversing their direction to vacate T-Band in 2021 to 2023.

IV. NEW BUSINESS – None

V. OLD BUSINESS –

ACTION ITEM: LA-RICS CASH FLOW ALLOCATION

Executive Director Mallon reported that several Board and Authority members expressed concern with loss of return on investment into their existing systems. Others discussed if was there to be some kind of late buy-in fee. There was discussion with some members of this committee to plan to try to develop a strategy that will allow members to perhaps not opt-out of the LA-RICS Authority as a member, yet participate in the system they so choose, and allow them to come in as long as three years from now without a penalty. It will be done through a phasing in of operating charges, such as the 1st year cost consisting of only the Authorities Administrative costs. The recommendation to the Board is to allow a transition plan that will extend without penalty the ability of members to opt-in to the program for LMR purposes for three years to enjoy their return of investment on their investment of their existing system and will only be on the fourth year or whatever the Board or this committee recommends that there be some kind of a catch up if they do not join until year five to some degree of catch up to the system refresh.



Committee Member Simay asked if it is possible to delay certain parts of the construction in order to take advantage of the fact that you have some systems that are operational in some areas and do have the initial construction phase in those areas that need immediate replacement. Also, if the city is allowed to ride out to their system until it needs replacement and only those cities that are prepared to invest a certain amount of money to replace their system. The only question is whether those invested dollars are about the same if they have to replace their own system versus when they participate in LA-RICS. Is it more economical to do that, all things considered, or is it more economical including to certain advantages to devote that money to LA-RICS system.

Executive Director Mallon responded that it depends on the degree to which the city has a set aside for a system refresh. If they are truly replacing their system, the catch-up will be significantly less because the system is being spread across the entire region. To address the issue of delaying build-out of the system, LA-RICS has the coverage and the capacity requirement that has to be addressed. We have to cover the whole County to support public safety users. LA-RICS should not leave any area uncovered by relying on systems that do not have a capacity to support.

Committee Member Eric Tsao asked, "if there is no difference to join in year 1 up to year 3 why would jurisdiction join in year 1 and not just wait till the end of year 3?" Executive Director Mallon responded that for the early subscribers operating costs will be minimized. By delaying System Refresh costs until year 4, you are not penalizing the early adaptor. Particularly, for the first year, if agencies only pay for administrative costs, they are actually paying a much cheaper price. Because of the cost of running the Authority, LA-RICS is looking at administrative cost of 20% of general overhead. Members of the Authority will be asked to pay their proportional share based on a recommendation of population; 40% of the administrative overhead is applied to LTE and 40% is applied to the LMR system. An agency would only be paying for their component to the extent they are on the system. For example, an agency on the system until year four would only be paying their proportional share of the administrative cost of that 20%. If that same agency wants to participate on the LTE system for the first three years they would be paying for their proportional share of the 20% administrative cost plus their share of the 40%. Truc Moore, Authority Counsel, stated that the Board has proceeded forward with the Funding Plan with the anticipation of full participation in both systems.

Committee Member Jan Takata talked about the debt service for the future system refresh. He suggested having an independent actuarial study that can be presented to each Board or Council within 15 years. Chair Sotomayor stated that LA-RICS does need to look at what would be a prudent level to set aside and for how long can LA-RICS defer some of the replacement costs

Executive Director Mallon stated the Committee should meet once more and have this ready for the Board by May 2014 so they can vote.

After discussion, Chair Sotomayor suggested a recommendation to the Board to defer on the capital replacement costs for a period of time and to continue to look at what period makes sense and how much should go into the capital replacement fund. Committee Member Greg Simay called the 1st motion and Committee Member Joe Leonardi called the 2nd motion, unanimous vote carried.

MOTION APPROVED.



VI. PUBLIC COMMENT – None

VII. ADJOURNMENT AND NEXT MEETING:

Meeting adjourned at 2:31 p.m.

The next meeting is on Thursday, April 24, 2014.

APPROVED