



FINANCE COMMITTEE MEETING MINUTES

LOS ANGELES REGIONAL INTEROPERABLE COMMUNICATIONS
SYSTEM AUTHORITY

APPROVED

May 26, 2016

LA-RICS Headquarters, Large Conference Room
2525 Corporate Pl., Monterey Park, CA 91754

Committee Members Present:

John Geiger, Chair, County of Los Angeles CEO
Doug Cline, Los Angeles County Fire Dept.
Stephen Smith, Los Angeles County Sheriff's Dept.
Kay Fruhwirth, County of Los Angeles DHS/EMS
Daniel Calleros, Los Angeles County Police Chiefs Assoc.

Alternates Committee Members Present:

Debbie Aguirre, alternate for Doug Cline, Los Angeles County Fire Dept.
Maria Morales, alternate for Kay Fruhwirth, County of Los Angeles DHS/EMS
Marie DiBernardo, alternate for Mark Fronterotta, Chief of Police, City of Inglewood Police Dept.

Officers Present:

John Radeleff, LA-RICS Interim Executive Director
Susy Orellana-Curtiss, LA-RICS Administrative Chief

Absent:

Daniel Jordan, CA Contract Cities Association
Mark Fronterotta, Chief of Police, City of Inglewood Police Dept.
Ron Sagmit, City of Signal Hill



I. CALL TO ORDER

II. ANNOUNCE QUORUM – Roll Call

Chair John Geiger acknowledged that a quorum was present and requested a roll call.

III. APPROVAL OF MINUTES (A)

A. September 24, 2015 – Regular Meeting Minutes

Chair Geiger asked for a motion to approve, Committee Member Kay Fruhwirth motioned first, seconded by Committee Member Doug Cline. The Committee's consensus was unanimous.

MOTION APPROVED.

IV. PUBLIC COMMENTS – (None)

V. CONSENT CALENDAR PUBLIC COMMENTS – (None)

VI. REPORTS (B)

B. Director's Report – Interim Executive Director, John Radeleff

Long Term Evolution (LTE) Project Status

- Phase 1 activity includes 67 sites that currently operational and 10 additional sites ready to be deployed at SCE locations, which are just pending power and fiber connections, which will total 77 LTE sites.
- With respect to the Network Operations Center (NOC) monitored by Motorola in Schaumburg, Illinois, LA-RICS is in the process of building a NOC at the Sheriff's Communication Center near the LA-RICS Headquarters in Monterey Park. The hope is that it will be done by the end of the year and LA-RICS can transfer the NOC locally as opposed to those operations being handled in Illinois.
- Phase 2 of the LTE System – LA-RICS is working with NTIA to begin Phase 2 of the LTE System. The Phase 2 Project proposes 20 to 30 additional sites to augment coverage currently provided under Phase 1.



- LA-RICS is training LA County Internal Services Department (ISD) staff for the operations and maintenance of the PSBN/LTE System, onto which LA-RICS anticipates onboarding users by October 2016. Currently, LA-RICS has vehicle routers installations in progress in order to accommodate user prior to or by the end of the calendar year.

Land Mobile Radio (LMR) Project Status

- UASI 11' – there are seven (7) additional sites that have been installed and two (2) additional sites purchased or pending construction.
- UASI 12' –LA-RICS is pending FEMA approval in order to move forward with the construction of eight (8) additional sites.
- UASI 13' – is also pending the approval of FEMA in order to move forward with the construction of six (6) additional sites.
- As a result of recent funding approval, Motorola has scheduled an additional six (6) sites for every 2 months through the completion of the LMR Project.

Grant Status

- LA-RICS received a BTOP Grant award of \$117 million, of which \$97 million has been spent to-date. The final \$20 million is earmarked for testing, withhold, and close out activities.
- Phase 2 of LTE – there is a remaining balance of \$34 million in the BTOP Grant appropriation. Once NTIA approves the Phase 2 plan and allows LA-RICS to proceed, contracts will be amended accordingly, allowing LA-RICS to move forward with Phase 2 proposed work to augment the PSBN (LTE) System.
- The grant status of the LMR UASI 11 final claim package was submitted by LA-RICS, for which the balance of that has been fully expended.
- UASI 12', 13', 14' and 16' totaling \$42 million dollars, has been on hold pending the UASI Approval Authority / Region commitment to fund LA-RICS through its completion. Last week LA-RICS had a meeting with many representative in the region, with Commander Steve Smith from Los Angeles County Sheriff presenting the need to secure funding in order for the LMR system to be completed by 2018. LA-RICS has been getting declining revenue from the UASI grant, therefore a letter was drafted on May 24, 2016 urging the region to support completion of this critical project, and a follow-up meeting was also held with the stakeholders. As a result, an agreement was reached by the UASI Approval Authority members and a letter was approved today, May 26, 2016,



from the UASI Approval Authority to the Cal-OES, which states the region is committed to funding LA-RICS for an additional \$35 million per year for a total \$105 million dollars for the completion of this project. The letter commits funding from UASI 17', 18', and 19' respectively. With the region's commitment of funding, the LA-RICS projected has the funding required for completion of this project. The UASI letter to CalOES also commits funding to LA City for their LAPD communication project as well.

Interim Executive Director thanked Commander Smith for his negotiation skills and for the wonderful job he did reminding the Members of the importance of this regional communications system.

Lastly, LA-RICS is awaiting CalOES' receipt of the Approval Authority's letter of commitment, at which time LA-RICS should receive all pending approvals including construction waivers which will allow construction and spending to resume on UASI 12', 13', 14', and 16 grants.

VII. DISCUSSION ITEMS (C-D)

C. MEMBER BILLING SERVICES

LA-RICS Administrative Chief, Susy Orellana-Curtiss, stated that for member billing services, given that fact that the subscription plan is still in the initial development and discussion phases, LA-RICS needs to break out the billing services for the members per the Adopted Funding Plan. As the opt-out period has concluded and LA-RICS has its confirmed Members, they would start paying into the LA-RICS JPA per the cost factors in the Adopted Funding Plan effective FY 2016-17.

As a result of the scope for the collection of member contribution only, and as LA-RICS does not have a subscription plan approved at this time, LA-RICS reached out to the Auditor-Controller to determine if they could provide the Project with an estimated of cost to provide those billing services for LA-RICS. The Scope of Work is taking into consideration the count of members that currently make up the LA-RICS JPA, which is 25 members, and taking their annual cost for FY 2016-17, as well as establishing a billing notification and a billing collection for those annual fees in FY 2016-17.

LA-RICS presented the Finance Committee certain options for their consideration that would eventually be an action item presented to the Board. The Board at that time can consider amending the existing Agreement with the Auditor-Controller, who serves as the fiscal agent for the JPA Authority, to include the services for the collection of member contributions for FY 2016-17.



Ms. Orellana-Curtiss went on to state that an estimate for this work during FY 2016-17, if LA-RICS were to proceed with an annual collection for members costs, would be approximately \$65,000. However, if LA-RICS should collect twice a year, that would result in an increase of an additional \$8,000 per additional collection. While these are merely estimates; the costs claimed, invoiced, and paid would be based on actual hours incurred.

Rachelle Anema, of the Auditor-Controller Office, stated that the first year usually does cost a bit more due to the formulation of templates. LA-RICS utilized a high estimate as an example, but anticipates that it will be lower than that amount. LA-RICS is working on a template for the billing services to get the process going.

Ms. Orellana-Curtiss was asked about being billed annually in arrears or annually in advance, wherein she indicated that LA-RICS would make recommendations for it to be annually in arrears for the Board to ultimately decide.

Ms. Orellana-Curtis further stated that it's merely a recommendation regarding when LA-RICS will begin to bill members as other discussions are ongoing regarding payment of arrears for previous fiscal years, etc.. The implication of who would provide money initially to pay-out expenditures to allow for the collection in arrears, is being discussed by leadership within the County of Los Angeles, once that determination is made LA-RICS would bring an action item to Finance Committee and subsequently to the Board.

Ms. Orellana-Curtiss was also asked about the Adopted Funding Plan in 2014 having an opt-out date of November 2015, in which it was assumed that charges were in that funding plan. Ms. Orellana-Curtiss stated that official member contributions began in FY 2014-15, but were provided as a loan by the County of Los Angeles for both FY 2014-15 and FY 2015-16, therefore, the collection of cost could contemplate the collection of debt for FY 2014-15, FY 2015-16, and actual costs for FY 2016-17.

Chair Geiger stated he would endorse further discussions in developing a program with Auditor-Controller.

D. SUBSCRIBER PLAN OPTIONS

Mr. Pat Mallon presented a Subscriber Plan Options power point presentation to discuss and allow the Finance Committee to consider certain options in order to finalize the cost model for non-member/subscribers to the LA-RICS System (Land Mobile Radio and Long Term Evolution). The presentation is attached to these Meeting Minutes.

VIII. ADMINISTRATIVE MATTERS (E-F)



E. REVIEW AND RECOMMEND APPROVAL OF THE PROPOSED OPERATING BUDGET

Ms. Orellana-Curtiss presented the proposed Operating Budget for FY 2016-17 to the Finance Committee for their review and consideration and for recommendation to the LA-RICS Authority's Board of Directors, for adoption. Ms. Orellana-Curtiss proceeded to detail differences from the previous FY 2015-16 Operating Budget to FY 2016-17, which included staffing and PSBN (LTE) System Year One Maintenance.

Chair Geiger asked for a motion to approve, Committee Member Daniel Calleros motion first, seconded by Committee Member Doug Cline. The Committee's consensus was unanimous.

MOTION APPROVED.

F. LA-RICS FINANCE COMMITTEE MEETING SCHEDULE FOR 2016

Chair Geiger asked for a motion to approve the Schedule for the Finance Committee for the remainder of the 2016 calendar year. The meeting dates for that require approval for the remainder of the 2016 are June 23, July 28, August 25, September 22, October 27, November 17, and December 15. Committee Member Kay Fruhwirth motioned first, seconded by Committee Member Stephen Smith. The Committee's consensus was unanimous.

MOTION APPROVED.

IX. MISCELLANEOUS – (None)

X. CLOSED SESSION REPORT – (None)

XIII. ADJOURNMENT and NEXT MEETING:

Chair Geiger announced adjournment of this meeting at 2:23 p.m. The Committee's consensus was unanimous.

The next Committee meeting will take place on Thursday, June 23, 2016, at 1:00 p.m., LA-RICS Headquarters, 2525 Corporate Place, Large Conference Room, Monterey Park, CA 91754.