



APPROVED

FINANCE COMMITTEE

REGULAR MEETING MINUTES

**LOS ANGELES REGIONAL
INTEROPERABLE COMMUNICATIONS SYSTEM AUTHORITY**

Thursday, July 26, 2018 • 1:00 p.m.
Los Angeles Regional Interoperable Communications System
Headquarters
Large Conference Room
2525 Corporate Place, Suite 200, Monterey Park, CA 91754

Finance Committee Members Present:

Doug Cline, Head, Revenue Management, Fire Chief, County of Los Angeles Fire Dept.
Karolyn (Kay) Fruhwirth, Asst. Dir., EMS Agency, County of LADHS
Rebekka Hosken, Finance Director, CA Contract Cities Assoc.
Marie DiBernardo, Police Captain, City of Inglewood Police Dept.
Ron Sagmit, Police Lieutenant, City of Signal Hill Police Dept.

Alternates For Finance Committee Members Present:

Michael Iwanaga, CEO, County of Los Angeles
Tab Rhodes, Lieutenant, Los Angeles County Sheriff's Dept.
Ric Walczak, Lieutenant, City of Covina Police Dept.

Officers Present:

Scott Edson, LA-RICS Executive Director
Susy Orellana-Curtiss, LA-RICS Administrative Deputy
Beatriz Cojulun, LA-RICS Committee Secretary

Absent:

John Geiger, CEO, County of Los Angeles
Bill Song, Commander, Los Angeles County Sheriff's Dept.
John Curley, Chief of Police, City of Covina Police Dept.



NOTE: ACTION MAY BE TAKEN ON ANY ITEM IDENTIFIED ON THE AGENDA

I. CALL TO ORDER

Alternate Chair Michael Iwanaga called the Regular Meeting of the Finance Committee to order at 1:02 p.m.

II. ANNOUNCE QUORUM – Roll Call

Alternate Chair Iwanaga acknowledged a quorum was present and asked for a roll call.

III. APPROVAL OF MINUTES (A-B)

A. May 26, 2016 – Regular Meeting Minutes

LA-RICS Administrative Deputy Susy Orellana-Curtiss informed the Committee members the last Finance Committee meeting was held on May 26, 2016, which was over two (2) years ago. Since then, the make-up of the committee has changed significantly; therefore, the minutes for this meeting are included for the record as a Receive and File only.

B. July 27, 2017 – Regular Meeting Minutes

Administrative Deputy Orellana-Curtiss informed the Committee members the Finance Committee meeting held on July 27, 2017, did not reach quorum, therefore the minutes for this meeting will be reflected for the record as a Receive and File only.

Committee Member Karolyn (Kay) Fruhwirth motioned first to receive and file both meeting minutes, seconded by Committee Member Doug Cline.

Ayes 6: Iwanaga, Rhodes, Hosken, Walczak, DiBernardo, and Sagmit.

MOTION APPROVED for both Agenda Items A and B to receive and file.

IV. PUBLIC COMMENTS – (None)

V. CONSENT CALENDAR – (None)

VI. REPORTS (C)

C. Director's Report – Executive Director Scott Edson



LTE UPDATE

Executive Director Scott Edson reported to the Finance Committee the LA-RICS Authority (Authority) executed an Asset Transfer Agreement and a Business Agreement with AT&T Corp. (AT&T) that transferred the Authority's 20% interest of the LA-RICS Public Safety Broadband Network (PSBN) at its seventy-six (76) sites to AT&T. The Federal government retains its 80% interest in the project's grant funded assets.

Executive Director Edson went on to inform the Committee the Authority is currently assisting AT&T with the assignment of Site Access Agreements (SAA) between the Authority and cities that have sited deployed and/or certain equipment on its property, as well as helping these cities understand the role of AT&T, the service that FirstNet provides, as well as the benefit which these seventy-six (76) sites bring to the region.

Executive Director Edson informed the Committee the Authority is aiding AT&T with efforts to integrate the seventy-six (76) sites into the National Public Safety Broadband Network (NPSBN), which will also include California and the rest of the nation. LA-RICS has always envisioned being a part of the NPSBN. Executive Director Edson stated since the sites constructed by LA-RICS have structural integrity, power redundancy, and network redundancy, he believes the LA-RICS sites are more robust than a standard commercial site.

Executive Director Edson went on to inform the Committee the Authority received approval from the National Telecommunications and Information Administration (NTIA) to buildout PSBN Round 2 using Broadband Technology Opportunities Program (BTOP) grant funds and approval to spend \$32 million dollars to augment coverage by expanding the seventy-six (76) sites with an additional twenty-six (26) sites, a number of which will be collocated with Land Mobile Radio (LMR) sites. We are targeting areas that do not normally have coverage. Executive Director Edson went on to say the Authority is in the process of developing specifications for use in the procurement of three (3) Cell on Light Trucks (COLTs) to have immediate response capabilities throughout the region.

Executive Director Edson stated the Authority is also pursuing a third (3rd) objective in connection with the BTOP grant, which deals with application interoperability and common operating pictures, so public safety is aware of what public safety is doing in the region on a routine basis over Long Term Evolution (LTE) technology, as well to aid with the development of governance policies, procedures, and guidelines for LTE use in the region. Executive Director Edson provided the following example, for the AT&T/First Responders Network (FirstNet) Authority service, a user has the ability to place different priorities on public safety when in an incident, issued priority numbers



ranging from one (1) to ten (10), with one (1) representing the highest need. Executive Director Edson explained that there is a desire to put operating procedures in place for the region to ensure uniformity in levels and triggers for when to elevate individuals, groups, or responses. The region would like the ability to prioritize priority for particular incidents. Therefore, a third (3rd) objective will be submitted, with the hopes of receiving BTOP funding, in an effort to establish governance and application interoperability in and for the region in general, not only for AT&T/FirstNet users.

LMR UPDATE

Executive Director Edson said that the Authority continues to work closely with Motorola Solutions, Inc. (Motorola), to ensure the LMR project schedule is maintained, as Executive Director Edson coined the term the 20/20/20/20 Plan, which is twenty (20) sites with Urban Area Security Initiative (UASI) '17, twenty (20) sites with UASI '18, and twenty (20) sites with UASI '19, with testing and acceptance to occur in 2020.

Executive Director Edson said the Authority needs to sustain itself through System Acceptance, as well as consider revisions to the existing Adopted Funding Plan, likely a subscription-based plan to commence billing in Fiscal-Year (FY) 2020-21. The Authority will work closely with the Finance Committee in upcoming meetings to provide recommendations on what is expected to be a realistic subscription model that will achieve maximum interoperability at the lowest cost for the region. The intent being as agencies' systems become dated and seek to replace those systems, there is an opportunity for agencies to re-evaluate and determine whether they would prefer to spend a higher amount of money to invest in a replacement system or if they would prefer to subscribe to LA-RICS, improving interoperability and potentially lowering their cost.

Lastly, Executive Director Edson informed the Committee that Authority staff would be providing more detailed information in the upcoming meetings regarding a subscription based model.

There were no questions at the conclusion of the report.

VII. ADMINISTRATIVE MATTERS (D-E)

D. REVIEW AND RECOMMEND APPROVAL OF THE PROPOSED FISCAL-YEAR 2018-19 OPERATING BUDGET

Administrative Deputy Orellana-Curtiss welcomed the new Finance Committee Members and went on to present the eighth (8th) fiscal year operating budget that will



be recommended to the LA-RICS JPA Board since the inception of the LA-RICS Authority.

Administrative Deputy Orellana-Curtiss proceeded to present Agenda Item D in its entirety, recommending the Finance Committee adopt the Draft Proposed Operating Budget which will allow for the payment of expenditures incurred effective July 1, 2018, as well as to continue with LA-RICS operations. Administrative Deputy Orellana-Curtiss informed the Committee the draft budget is in accordance with the cost factors identified in the Adopted Funding Plan.

Administrative Deputy Orellana-Curtiss informed the Committee adoption of budget was being presented post commencement of the fiscal year, as it was necessary for the Authority to achieve “closure” on significant items prior to bringing this item before the Committee and subsequently the Board.

Administrative Deputy Orellana-Curtiss highlighted some of the significant changes in the FY 2018-19 budget, explaining that one of biggest changes was achieving the successful close and transition of the LTE Network (also known as the LA-RICS PSBN) to AT&T. In FY 2017-18, the Authority had approximately \$6 million dollars allocated to, and spent on, Operations and Maintenance (O&M) of the LTE System. Given a successful close of the AT&T Business Agreement and the Transfer of Asset Agreement, the Authority no longer has the \$6 million dollar line item associated with the O&M activities in the Operating Budget. Further, the Authority is no longer responsible for maintaining the LTE System as that is now the responsibility of AT&T.

Administrative Deputy Orellana-Curtiss further highlighted another change in the proposed budget is the augmentation of the PSBN Round 2 award. BTOP was previously included in prior years funding, specifically in FY 2017-18, which did not include construction, just closeout of Round 1 activities, as the focus was on the transition of the LTE System to AT&T. However, Administrative Deputy Orellana-Curtiss highlighted to the Committee the FY 2018-19 budget reflects a new augmentation from the Federal Grantor, as mentioned by Executive Director Edson, in particular an augmentation of \$32 million dollars, \$18 million dollars of which the Authority anticipates will be spent over the course of the next twelve (12) months. That is a noteworthy change to the total grant funded expenditures category.

Committee Member Fruhwirth sought confirmation if the augmentation was additional BTOP grant funding for the additional build-out, would those sites at some point transitioned to AT&T. Executive Director Edson stated the additional sites to be constructed under this augmented award were included in the Business Agreement with AT&T and will be transitioned to them to form part of the NPSBN, once deployment is completed.



Administrative Deputy Orellana-Curtiss stated another significant change in the proposed budget resulted from the AT&T Business Agreement closing, is a new revenue source listed as "AT&T Business Agreement Services". She referenced the Business Agreement provision that stipulated that at closing, AT&T would provide the Authority with 4,300 replacement routers in order to ensure the functionality that was initially intended for public safety use remains as the users are transitioned to the NPSBN. In connection with this router replacement, the budget before your Committee for FY 2018-19, contemplates \$2.5 million dollars in services, which will serve to support the installation and swap services related to these 4,300 replacement routers.

Committee Member Cline inquired as to whether the \$2.5 million was part of the 4,300. Administrative Deputy Orellana-Curtiss clarified that it was for services associated with the swapping out of up to 4,300 replacement routers. The 4,300 replacement routers have a significant value outside of the budget. The Authority will not be procuring the replacement routers, just receiving them as an asset from AT&T. This will not affect LA-RICS' budget as there is no purchasing or transacting, just receipt. Administrative Deputy Orellana-Curtiss went on to inform the Committee the services to pay for other County Departments or other agencies to perform the swap and/or installation work on previously installed routers is already captured in the proposed budget, under the \$2.5 million dollars services line item. She went on to state while the Authority is not aware of the exact amount to be expended this FY for this work, projected timelines have been provided and it is the expectation the swap of these routers in their entirety will take close to two (2) fiscal years. However, in the event the installations are fast tracked or the Authority requires funding up front, the entire \$2.5 million dollars in funding has been included in FY 2018-19 budget. Any carry-over funding will be included in the next year's proposed budget.

Lastly, Administrative Deputy Orellana-Curtiss stated the final significant change is Footnote 2 to proposed budget. In the past, the member-funded items were provided by the County of Los Angeles as a loan. In FY 2018-19, given the closing of the AT&T Business Agreement and discussions with the County, all member funded JPA Operations, LTE Administrative cost, and LMR Administrative costs will be paid for out of the funds that were secured from the Business Agreement with AT&T. Therefore, Footnote 2 now reflects the funding source for the same.

Committee Member Cline inquired about membership costs, to which Administrative Deputy Orellana-Curtiss responded all membership costs for FY 2018-19 are going to be supported by the Business Agreement revenue.

There were no questions at the conclusion of the report.

Committee Member Fruhwirth motioned first, seconded by Committee Member Cline.



Ayes 6: Iwanaga, Rhodes, Hosken, Walczak, DiBernardo, and Sagmit.

MOTION APPROVED.

E. 2018 SCHEDULE OF LA-RICS FINANCE COMMITTEE MEETING

1. Administrative Deputy Orellana-Curtiss recommended the approval of the following dates for the calendar year 2018 Finance Committee Regular Meeting Schedule:

August 23

September 27

October 25

November 15 (3rd Thursday)

December – No meeting (will resume on January 24, 2019)

All Regular Meetings will be held at 1:00 p.m. Pacific Time at the at the LA-RICS Headquarters, 2525 Corporate Place, Suite 200, Large Conference Room, Monterey Park, California 91754.

Administrative Deputy Orellana-Curtiss stated the Finance Committee has not met to-date and this is the first meeting in this FY; however, the Authority prefers to set regular meetings in order to be on calendar in order to allow for timely notification of members and attendees of committee meetings. There is an anticipated increase of items for approval in the next few months, which also may include Ad Hoc meetings and Task Force Group meetings.

Executive Director Edson stated first of all these meetings generally occur a few weeks before the JPA Board meetings, allowing the Finance Committee to report to the JPA Board on its activities. Executive Director Edson further stated he has been meeting with member cities and non-member cities inquiring about their input to proposed revisions to the funding plan. In light of those discussions, it is critical the Finance Committee start analyzing a subscription plan as there are agencies expending funds to invest into either their existing or other legacy radio systems today, because LA-RICS future costs are unknown.

Committee Member Rebekka Hosken motioned first, seconded by Committee Member Cline.

Ayes 6: Iwanaga, Rhodes, Fruhwirth, Walczak, DiBernardo, and Sagmit.

MOTION APPROVED.



VIII. MISCELLANEOUS – (None)

IX. CLOSED SESSION REPORT – (None)

The Committee did not enter into Closed Session.

X. ITEMS FOR FUTURE DISCUSSION AND/OR ACTION BY THE COMMITTEE

Committee Secretary Beatriz Cojulun stated that there is currently a vacancy for Finance Committee Vice-Chair and would like to place an election item on the agenda for the next meeting, and encouraged Committee Members to consider volunteering and/or considering candidates for nomination.

XI. ADJOURNMENT and NEXT MEETING:

The Finance Committee meeting adjourned at 1:20 p.m. The next meeting is on Thursday, August 23, 2018, at 1:00 p.m., at the LA-RICS Headquarters, 2525 Corporate Place, Large Conference Room, Monterey Park, CA 91754