



MINUTES

LOS ANGELES
REGIONAL INTEROPERABLE COMMUNICATIONS SYSTEM AUTHORITY

FINANCE COMMITTEE MEETING

Thursday, January 27, 2011: 1:00 p.m. – 2:26 p.m.
2525 Corporate Place, Suite 200, Monterey Park, California 91754

Official Voting Members Present:

Greg Simay, Chair, representative for City of Burbank, At Large
Ed Medrano, Vice Chair, representative for Los Angeles County Police Chiefs Association
Erick Lee, Secretary, representative for Culver City, At Large
James Alther, representative for LAUSD Police Department
Dave Culver, representative for County of Los Angeles Sheriff's Department
Andrew Fox, representative for City of Los Angeles Fire Department
Stephen W. Hannah, representative for City of Long Beach
Patty Huber, City of Los Angeles Administrative Office
Daniel Jordan, representative for California Contract Cities Association
David Lantzer, representative for Los Angeles Area Fire Chiefs Association
Steve Smith, representative for City of Covina, At Large
Andree Stecker, representative for County of Los Angeles Department of Health Services (Called In)
Jan Takata, County of Los Angeles Chief Executive Office
Eric E. Tsao, representative for City of Torrance, At Large

Representatives For Official Voting Members Present:

Official Voting Members Absent:

June Gibson, representative for City of Los Angeles, Chief Legislative Analyst
Debby Prouty, representative for County of Los Angeles Fire Department
Rick Provencio, representative for City of Los Angeles Police Department



1. CALL TO ORDER

A meeting of the Los Angeles Regional Interoperable Communications System Finance Committee was called to order on January 27, 2011 at 1:00 p.m. by the Committee Chair Greg Simay.

2. ANOUNCE QUORUM – Roll Call

Formal roll call performed with an acknowledgement of a quorum.

3. APPROVAL OF MINUTES

A motion was made for approval of the Minutes from the December 1, 2010 Finance Committee Meeting.

MOTION APPROVED.

4. OLD BUSINESS

4.1 LA-RICS Public Finance and Revenue Options

Committee Chair Greg Simay summarized his Public Finance and Revenue Options presentation that was given to the JPA Board of Directors at the December 2010 Board Meeting.

4.2 Projections/Recommendations on Future Grant Revenues for LA-RICS

The committee discussed how current grant funds are being spent. Felipe Perez advised that grants received in 2008 and later are not being used for site development. Additionally, he advised that site construction and administrative costs (which represent approximately 30% of the estimated \$600M project costs) are generally not allowable expenses under the grant guidelines.

LA-RICS staff member Sara Henry reported that LA-RICS is seeking 50% of the FY2011 UASI grant and 20-25% of the FY2011 SHSGP grant.

Committee Secretary Erick Lee requested that LA-RICS staff develop a projection of cash flows for the next few years that distinguishes between grant-allowable and unallowable expenditures. Committee Chair Simay stated that he will communicate this request to Scott Poster.

5. NEW BUSINESS

5.1 Upfront Costs of Implementing Finance and Revenue Options

Committee Chair Greg Simay requested information about how much it could potentially cost to seek voter approval on the many revenue options that are available



to the JPA. Committee member Jan Takata advised that he will research and provide this information to the Finance Committee.

5.2 Potential Timeline for Finance and Revenue Options

Committee Chair Greg Simay requested information about the length of time involved in seeking voter approval on the many revenue options that are available to the JPA. Committee member Jan Takata advised that he will research and provide this information to the Finance Committee.

5.3 Investigating a Phased Approach

Committee Chair Greg Simay asked if there would be any value for the Finance Committee to providing its phasing preferences into the agreement negotiation process with the vendor that is ultimately selected by the JPA to build the system. He described how phasing (i.e., building portions of the system at a time instead of building the entire system at once) could help with the financing of the system.

LA-RICS staff member John Lenihan indicated that phasing could work and described a process on how the JPA could first narrowband its frequencies, build the broadband data components later, and then replacing legacy radio systems at the end of their lifecycles. LA-RICS staff member Mehrdad Larijaniha added that the phasing could be based on geographic areas/zones.

Committee Chair Greg Simay noted that there may be technician and operational reasons to implement a phased approach. He requested permission from the Finance Committee to pursue these discussions further with the Technical and Operations Committees. The Finance Committee approved his request.

5.4 Revenue Opportunities from the Private Sector, including Development Fees

Committee Chair Greg Simay reported that the Board of Director requested that the Finance Committee consider using the private sector and development fees in the JPA's funding plan. Committee Member Andrew Fox advised that the JPA would probably have to create a nexus between a development project and LA-RICS. JPA Counsel Jose Silva agreed with Committee Member Fox's opinion.

Committee Vice Chair Ed Medrano commented that public safety impact fees are often charged to developers.

Committee Member Jan Takata advised that these types of fees are passed on to the eventual property owners. In those circumstances, it may be seen that the property owner would then be "paying twice" for the LA-RICS service. He also added that these types of fees would complicate the JPA's financing issues.

5.5 Assuring that Contract Cities Would Not Be Double-Charged

Committee Chair Greg Simay advised that any financing plan needs to ensure that Contract Cities are not "double-charged" and that any cost allocation plan needs to be cognizant of this issue. Committee Member Daniel Jordan agreed with this statement.



5.6 Reviewing Section 2.04 of the LA-RICS Joint Powers Agreement

Committee Chair Greg Simay requested that JPA Counsel Jose Silva review Section 2.04 of the LA-RICS Joint Powers Agreement, as it relates to the Board's fiduciary responsibility.

Jose Silva briefly outlined the Board's responsibilities that are explicitly stated in this section of the agreement. He advised that the Finance Committee is not responsible for auditing the JPA's finances. This responsibility resides with the County of Los Angeles' Auditor-Controller.

As a matter of sound business practice, Committee Chair Greg Simay made a motion to recommend that the Board of Directors request the JPA's Auditor to conduct the first year's financial audit.

MOTION APPROVED.

6. FUTURE MEETING DATES, TIMES, and LOCATIONS

Regular meetings will be held on the fourth Thursday of each month at 1:00 p.m. at LA-RICS headquarters in Monterey Park.

The next meeting is scheduled for:

Date/Time: Thursday, February 24, 2011 at 1 p.m.

Location: LA-RICS Project
2525 Corporate Place, Suite 200
Monterey Park, CA 91754
(323) 881-8291

7. PUBLIC COMMENT (None)

8. ADJOURNMENT

Meeting adjourned at 2:26 p.m.