



MINUTES

LOS ANGELES REGIONAL INTEROPERABLE COMMUNICATIONS SYSTEM AUTHORITY

FINANCE COMMITTEE MEETING

Thursday, July 26, 2012 • 1:00 p.m. to 2:30 p.m.

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

Official Voting Members Present:

Stephen Sotomayor, Chair, representative for City of Los Angeles Police Department
Dave Culver, representative for County of Los Angeles Sheriff's Department
~~**Ed Roes**, City of Los Angeles Administrative Office~~
~~**Kevin McClure**, Vice Chair, representative for Los Angeles County Police Chiefs Association~~
Erick Lee, representative for Culver City, At Large
Eric E. Tsao, representative for City of Torrance, At Large
Daniel Jordan, representative for California Contract Cities Association
Greg Simay, Chair, representative for City of Burbank, At Large
Doug Cline, representative for County of Los Angeles Fire Department
Andree Stecker, representative for County of Los Angeles Department of Health Services
Jan Takata, County of Los Angeles Chief Executive Office
David Lantzer, representative for Los Angeles Area Fire Chiefs Association

Representatives For Official Voting Members Present:

Kevin Nida, representing John Vidovich for the City of Los Angeles Fire Department
Nancy Ramirez, representing James Alther for the LAUSD Police Department

Others Present:

Pat Mallon, LA-RICS

Official Voting Members Absent:

~~**Kevin McClure**, Vice Chair, representative for Los Angeles County Police Chiefs Association~~
Stephen W. Hannah, representative for City of Long Beach
June Gibson, representative for City of Los Angeles, Chief Legislative Analyst
Steve Smith, representative for City of Covina, At Large
~~**Ed Roes**, City of Los Angeles Administrative Office~~



- I. CALL TO ORDER
- II. ANNOUNCE QUORUM – Chair Stephen Sotomayor asked for verbal roll call which confirmed quorum.
- III. APPROVAL OF MINUTES (2)
 1. June 28, 2012, LA-RICS Finance Committee Meeting Minutes. **MOTION APPROVED**
- IV. REPORTS
 2. LA-RICS Grant Update

Chair Stephen Sotomayor addressed Arnaldo de la Paz, Grants Analyst, who reviewed the attached SHSGP and BTOP grants spread sheets a, b, and c.

BTOP

- It was previously discussed, that LTE-related funds had been placed on temporary hold, amounting to \$70.5 million;
- On the LA-RICS matching side there is \$15.3 million on hold
- Combined, the total amount on hold is nearly \$86 million;
- On the reimbursement side in June , 2012, BTOP reimbursed LA-RICS \$557,000 in Architectural Engineering expenses for the months of February and March 2012.

SHSGP

- SHSGP '09 has been extended to September 2012;
- LA-RICS made a proposal to the Approval Authority to change the scope of the following and they were approved:
 - \$704,475 for the Jacobs Project Management Contract
 - \$270,135 for the purchase of equipment-mobile radios
 - For SHSGP 2012, the Approval Authority met yesterday and allocated \$250,000 to the LA-RICS project; this amount is less than the \$3.1 million that LA-RICS asked for, but it should be pointed out that of the SHSGP 2012 available funds of \$7.1 million the total project applications that they received was \$38 million.

LA-RICS Projected Expenditures Report

Attachment 2.a was a report drafted after the Committee requested it at the last meeting. This report shows LA-RICS' Funding Plan for the BTOP/SHSGP grants. A special note of mention for the BTOP section, because of the temporary hold on the LTE activities there is a temporary negative balance that will go away once the hold is lifted.

Committee Member Greg Simay wanted to know if LA-RICS knew off hand what the status of the UASI grants funds are; is LA-RICS getting deadline approvals in light of the H.R. 3630 and



other developments. Chair Sotomayor stated that in last week's meeting of independent city managers, Eileen Decker, Deputy Mayor and Grant Administrator for UASI, provided an update on the status of UASI grants. As of right now there is a temporary hold on UASI '09 because of H.R. 3630, so there was an extension given on that which allows both LA-RICS and the Department of Homeland Security (DHS) to figure out what the impact of that are on the LA-RICS system. It is important to note the LA-RICS is one of the last UASI '09 projects that is being treated in a different manner than the rest of the sub-recipients. The hold on UASI '09 will give LA-RICS time to look at the overall project, but at this time DHS is working with LA-RICS to ensure not to miss the grant deadline.

Committee Member Doug Cline stated that he was not familiar with H.R. 3630. Chair Sotomayor stated that H.R. 3630 is the legislation that was passed which is the "Middleclass Tax Relief of 2012." There are two significant pieces to it: 1) allocation of the D-Block to public safety; 2) the mandate to the FCC to auction T-Band in nine years and for T-Band.

Chair Sotomayor asked for clarification on the BTOP grant suspension. Sara Henry stated that NTIA has allowed LA-RICS to move forward with everything except LTE related equipment. The suspended funds have not been taken away, they are just on hold. Ms. Henry also mentioned that NTIA informed LA-RICS that they have submitted their two year extension request to the Office of Management and Budget and expects something in the fall regarding the letter.

Chair Sotomayor reiterated that from the SHSGP meeting yesterday it seems as though LA-RICS received less funding than what was originally asked for in IJ1. Ms. Henry stated that the SHSGP grant was significantly reduced and they had to cut a lot of projects. Mr. De la Paz stated that the sentiment is that without a vendor contract, it is not a good time to give LA-RICS more money.

Chair Sotomayor asked if within IJ3 what were the other projects and Ms. Henry said that there were two other: 1) Hawthorne P.D. for about \$464,000; and 2) ICIS for \$336,000. The IJ3 had \$21 million worth in applications for interoperable communications.

Committee Member Eric Tsao asked if the grant deadline for SHSGP '10 is April 2013 and if they are assuming there will be a grant extension. Mr. De la Paz said yes LA-RICS is projecting that.

Chair Sotomayor notified the committee that a Joint Operations and Technical Committee Meeting was held to discuss a hybrid feasibility study. Technical Committee Chair Kevin Nida stated that essentially both Committees reviewed the previous presentation that Jacobs had provided both Committees approved to forward the feasibility study to the Board for their August 2, 2012 meeting.

Committee Member Simay asked if there are other impacts that can be seen considering that LA-RICS still incurs administrative and engineering costs year after year?



Ms. Henry said that grants would be impacted. It is hard to plan now, but hopefully after there will be direction at the next Board of Directors meeting. They will need to consider each grant against the new schedule whatever it may be. On the broadband side LARICS has been working with the Department of Commerce and they understand what LA-RICS is going through.

Committee Member Simay stated that it seemed like SHSGP '10 seems to be the one at the most immediate risk and may not be in a position by the April deadline to have spent that amount. Ms. Henry concurred that SHSGP '10 is the most at risk.

Committee Member Erick Lee wanted to know how much money was allocated yesterday for SHSGP 2012. Ms. Henry stated that \$250,000 has been allocated, but the allocation still has to go through their Approval Authority.

Chair Sotomayor asked what project was allocated to it within LA-RICS. Ms. Henry stated that it was for system design for the telecommunications vendor. LA-RICS has been giving money back on the system design; there is a plan to make sure that LA-RICS modifies, for example UASI '10 or '11 and go back into planning, which is why planning is asked for in the 2012 grant.

V. NEW BUSINESS

3. Continue Discussion on the Cost Allocation Model
4. Broadband Cost Allocation Model & BTOP Requirements

Chair Sotomayor reminded everyone that the Finance Committee approved the idea of a subcommittee; the meeting was last week and they discussed the Cost Allocation Model. One of the things that Jacobs is working on right now is taking our existing grants and using a model on how they would leverage out through time based upon what is a conceptual schedule.

Chair Sotomayor asked if the original subcommittee members would weigh in on the format of the report for the JPA Members.

Committee Member Simay stated that he remembers debate whether to base this on cost versus benefit.

Committee Member Lee stated that LA-RICS has been at the same crossroad for the last couple of years. Committee Member Simay it may be until early next year that there is solid vendor information.

Chair Sotomayor stated that LA-RICS cannot enter into a contract until there is a Funding Plan, but to get the full detail design and to get the numbers to a point to where they would be solid would require a contract with a vendor.

Committee Member Simay suggesting separating BTOP and LMR so that agencies could choose to opt in and out. One reason for doing that is that BTOP system and funding seem



better defined. The economics for the radio is more problematic, therefore cities that are not in very good financial shape may hesitate to obligate themselves to a system that is ultimately unknown.

Chair Sotomayor stated asked for clarification on the BTOP Match Contribution.

Ms. Henry stated that the Cash Match is approximately \$19 million and in-kind contribution is about \$ 45 million. The grant application provides a 29% match but LA-RICS can decrease it to 20% which is the minimum required.

Chair Sotomayor stated that there is a reality that comes with the LTE system; that members need to contribute to keep the project moving forward.

Committee Member Jan Takata stated that the Board had previously looked a Countywide assessment based on benefit. There were two things that the Committee was trying to address, 1) looking at it as a Base System; and 2) Individual add-ons since different cities were in different positions in terms of when would they want to join in. The Committee was looking at the Community Facilities District (CFD) structure. Committee Member Tsao asked if LA-RICS still planned to fund infrastructure only and not equipment for the different jurisdictions.

Committee Member Lee stated that to his understanding SHSGP '09 granted subscriber units. Committee Member Simay stated that his understanding was that LA-RICS was not going to provide mobile hand held units for the agencies, and the \$600 million that has been used as a base figure is everything external to that.

Chair Sotomayor stated the Committee needs to find a way to assist LA-RICS in getting to the point of actual cost, but they would not be able to do so until final design. Committee Member Takata stated that there could be a Funding Plan as long as there is some base information until there is a contract. The dollar amount can be dealt with in general terms.

Committee Member Lee stated that to his understanding there has to be a design plan with costs associated and a full description of the capability of the whole system to inform the Committee on how to develop that Funding Plan.

Chair Sotomayor concurred and suggested that at the next meeting they receive information on the project phases from the Project Manager.

Committee Member Takata stated that the dollar amounts will change, but what needs to be understood is the timing of the money, when does money have to show up, which is crucial.

Committee Member Simay asked Technical Chair Nida what it would take to build the sites, to acquire and establish the sites. Technical Chair Nida stated that he would need more background information to answer.

Chair Sotomayor stated that maybe the Committee has to look at what areas need to be addressed immediately versus what areas can be migrated in.



Committee Member Takata stated the Committee needs to work with Jacobs and make a distinction between what is the base system. If that distinction is made it is much easier to develop the Funding Plan.

Chair Sotomayor stated that at the next subcommittee meeting they will review phasing and work with Jacobs. In addition, Jacobs will give a presentation at the next Finance Committee Meeting on August 23, 2012. He also announced that there were a total of four members on the subcommittee, but there is room for additional members.

Chair Sotomayor stated that Agenda Items 3 and 4 were addressed within this portion.

VI. SCHEDULED COMMUNICATION – None

VII. PUBLIC COMMENT – None

VIII. ITEMS FOR FUTURE DISCUSSION BY THE COMMITTEE

Workshop: LTE & LMR Funding Plans and Project Phasing
Workshop: Contract Cities and the Cost Allocation Model

IX. ADJOURNMENT AND NEXT MEETING:

The next meeting will be held:

When: August 23, 2012, at 1:00 p.m.

Where: Los Angeles Sheriff's Department Headquarters, Media Conference Room,
4700 W. Ramona Blvd., Monterey Park, CA 91754.

Meeting adjourned at 2:39 p.m. by consensus.