



MINUTES

LOS ANGELES
REGIONAL INTEROPERABLE COMMUNICATIONS SYSTEM AUTHORITY

REGULAR FINANCE COMMITTEE MEETING

Thursday, July 24, 2014 • 1:00 p.m.

LA-RICS Headquarters, Large Conference Room

2525 Corporate Pl., Suite 200, Monterey Park, CA 91754

Official Voting Members Present:

Doug Cline, representative for County of Los Angeles Fire Department
Cynthia Evans, representative for County of Los Angeles Sheriff's Department
Kay Fruhwirth, representative for County of Los Angeles Department of Health Services
Olivia Valero, representative for the City of Long Beach
Joe Leonardi, representative for the Los Angeles County Police Chiefs Association
Daniel Jordan, representative for the California Contract Cities Association
Erick Lee, representative for the City of Culver City, At Large #2
Greg Simay, Vice Chair, representative for the City of Burbank, At Large #3
Steve Smith, representative for the City of Covina, At Large #4

Representatives For Official Voting Members Present:

None

Others Present:

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

Official Voting Members Absent:

Ed Roes, City of Los Angeles Administrative Office
June Gibson, representative for the City of Los Angeles Fire Department
Stephen Sotomayor, Chair, representative for the City of Los Angeles Police Department
Matias Farfan, representative for City of Los Angeles, Chief Legislative Analyst
Jan Takata, representative for the County of Los Angeles Chief Executive Office
James Alther, representative for the LAUSD Police Department
David Lantzer, representative for the Los Angeles Area Fire Chiefs' Association
VACANT, representative for At Large #1



I. CALL TO ORDER

II. ANNOUNCE QUORUM – Vice Chair Greg Simay took roll call and quorum was reached.

III. REPORTS –

Vice Chair Simay stated that since the minutes were not on the previous Agenda and there are several of them to approve, he went down the list for approval. The minutes for February 19, 2014, were moved to the next Agenda since they were omitted from today's Agenda.

1. December 16, 2013, LA-RICS Special Finance Committee Meeting Minutes. Committee member Eric Lee called the 1st motion and Committee Member Steve Smith called the 2nd motion. **MOTION APPROVED.**

2. January 9, 2014, LA-RICS Special Finance Committee Meeting Minutes. Committee Member Joe Leonardi called the 1st motion and Committee Member Lee called the 2nd motion. **MOTION APPROVED.**

3. January 30, 2014, LA-RICS Special Finance Committee Meeting Minutes. Amendment called by Committee Member Lee

“Discussion re: Recommendation and Adoption of Funding Plan - Mallon advised that he intended to request the Board of Directors to trigger the 60 day comment period on the proposed Funding Plan (as outlined in section 5.01, Adoption of Funding Plan, in the Joint Powers Agreement) at its February 6th meeting. Members of the Committee cautioned against this move and advised Mallon that the Finance Committee is still in the process of developing the proposed Funding Plan. Furthermore, these members reminded Mallon that the Committee has not voted to recommend the Funding Plan to the Board of Directors yet and advised against rushing the Funding Plan process. Stephen Sotomayor, Committee Chair, agreed that the decision of the Committee to recommend any Funding Plan to the Board of Directors would have to be properly agendaized and voted on by members of the Committee.” **MOTION APPROVED.**

4. February 27, 2014, LA-RICS Regular Finance Committee Meeting Minutes. Committee Member Smith called the 1st motion and Committee Member Doug Cline called the 2nd motion. **MOTION APPROVED.**

5. March 5, 2014, LA-RICS Special Finance Committee Meeting Minutes. Committee Member Lee called the 1st motion and Committee Member Leonardi called the 2nd motion. **MOTION APPROVED.**

6. April 1, 2014, LA-RICS Special Finance Committee Meeting Minutes. Committee Member Lee called the 1st motion and Committee Member Leonardi called the 2nd motion. **MOTION APPROVED.**

7. April 24, 2014, LA-RICS Regular Finance Committee Meeting Minutes. Amendment called by Committee Member Lee:



“When questioned about whether a Funding Plan adopted by the Board of Directors that calls for regular reallocations of costs (i.e. annual true up period) is allowable under the Joint Powers Agreement or would constitute a revision to the Funding Plan which would need to be re-adopted by the Board, County Counsel advised that further research would need to be conducted.” **MOTION APPROVED.**

8. May 22, 2014, LA-RICS Regular Finance Committee Meeting Minutes.
Amendment called by Committee Member Lee:

“After discussion, members of the committee expressed further concern that a proposal for either plan did not exist in written form and could not be evaluated by the committee or members of the JPA. As a result, the committee did not recommend either plan be adopted by the Board of Directors. Chair Sotomayor clarified that the motion was a recommendation to the Board that any Funding Plan recommended by LA-RICS staff for adoption by the Board at its May 28th meeting include a 60-day opt-out period for members to withdraw from LA-RICS per the joint powers agreement. The Committee voted as follows: Committee member Leonardi called the 1st motion and Committee Member Dan Jordan called the 2nd motion.”
MOTION APPROVED.

Following the vote, Pat Mallon advised that he intended to submit both plans to the Board at its May 28, 2014, meeting and recommend the Board to adopt one of them.

Vice Chair Simay stated that the February 19, 2014, minutes will be carried to the next meeting since they were omitted from today’s Agenda.

IV. NEW BUSINESS –

Vice Chair Simay stated that on the next Agenda an item could be PMC working on allocation scheme among the contracts cities. Executive Director Pat Mallon stated that LA-RICS has met with the Auditor-Controller that actually establishes the contract cities' rates and have had discussions with them about the current cost model and how it's affected. Further discussions are ongoing with Mr. Fujioka and the Board of Supervisors (BOS) because they are the ones that approve the cost allocation model; therefore, as long as he is still in discussion with the BOS, there really any reason to bring it into discussion at a Finance meeting.

V. OLD BUSINESS –

Executive Director Mallon provided an update on the following:

- Opt-out cities and the trigger of an amended Funding Plan
 - As of July 23, 2014, there are seven cities that have opted out:
 - Torrance
 - Glendale
 - Gardena
 - Palos Verdes Estates*
 - Azusa*
 - Pomona*
 - Calabasas (full contract city)
- Cost Model, commutatively will affect the Cost Model by 3.5%; therefore the 3.5% that those cities would cover would have to be absorbed by the rest of the participants.

(* City under Fire Dept. Fee for Service Program)



Truc Moore, County Counsel, stated that it was Board Member Mark Alexander that requested monthly reporting with reasoning behind opting out, especially by those that have already done so.

Executive Director Mallon stated that he was planning on putting PMC on notice to put out an updated Cost Allocation table by October 2, 2014, Board meeting.

Vice Chair Simay asked if there would be any relief to costs, and Executive Director Mallon stated that there were some agencies that could affect the cost:

- On July 28, 2014, LA-RICS will meet with the LA County Internal Services Department about a proposal to table maintenance costs, therefore possibly making a reduction to the maintenance cost.
- LA-RICS already met with the Department of Defense (Lead agency for the Federal Government) pertaining to the LTE System and placing all First Responders, which are military and reserve units in LA County on the PSBN System as subscribers.
- LA-RICS has also spoken with the U.S. Department of Justice in regards to being part of the LMR System. These prospects hopefully emerge in expanding LA-RICS' service base and reduce the cost to the members.
- Executive Director Mallon is also a member of California First Responders Network (CalFRN) Authority; they are the state's point of contact regarding PSBN and have not yet looked at including any of the state agencies on the system on a formal basis yet until getting closer to having the system turn on.
- CHP is also part of CalFRN and seem to also be interested in both PSBN and LMR and probably also participate as subscribers.

Executive Director Mallon stated that there are still some hurdles to jump, the BOS just approved 116 County owned/leased sites for the PSBN; LA-RICS is pending an Action from LA City Council on 66 LTE sites; LA-RICS has some agreements from some of the independent cities for sites. There are some other sites that are unfortunately delaying the process by not responding as to how to proceed and LA-RICS needs a response by the end of the month or they will be dropped.

A question arose regarding Calabasas, how was it going to work operationally since they are out but are contracted by districts covered by Fire Department? Executive Director Mallon stated that Mr. Fujioka was dealing with this with the Board, as to how it is presently constituted and how it will be constituted for all contract cities that opt in or out.

1. Action Item: Approve Recommendation of the FY 2014-15 Budget to the LA-RICS JPA Board of Directors.

Susy Orellana-Curtiss stated that LA-RICS was waiting for the adoption of the Funding Plan in order to bring this before the Finance Committee. The structure of the Budget is a bit different than the Budget in past years. It breaks down Grant Funded Expenditures and JPA Member Funded



Operations, , \$1,013,000.00 and that is rounded up from the number of the Funding Plan document. The significant variances in this budget is the BTOP funded expenditures for the LTE Project; the LTE funded project needs to complete and close out grant operations by the end of September 30, 2015, therefore by the end of FY 2014-15 LA-RICS plans to be almost fully expended on the grant award.

Susy Orellana-Curtiss went on to say that the LA County Project Team is considered a grant funded expenditure. In FY 2014-15 the Funding Plan provided only for the JPA Operations to be captured and recovered that is the \$1,013,000.00. The Cash Match will start to be recovered or paid for in FY 2015-16; however the Cash Match has to be and has been expended to-date. Susy Orellana-Curtiss went over Agenda Attachment 2 with the Committee. Committee Members made a few recommendations/changes to the Proposed Operating Budget before submission to the Board:

- Add a narrative to the Executive Summary
- Add a note to the BTOP Cash Match line item, "...members will be responsible for payment of this amount..."
- Add 2 more columns (Actuals 12-13 and Estimated Actuals for 13-14) for a total of 4 columns.

Executive Director Mallon stated that LA-RICS needs to lease or sublease office space and have been working out negotiations with the building manager for the space downstairs; therefore LA-RICS will bring it up to the Board at the next meeting on August 7, 2014.

Vice Chair Simay asked if Actuals were close to the Estimates, at which point Susy Orellana-Curtiss stated that yes LA-RICS was close with LMR, but not with LTE, due to contract not being executed as planned.

Committee member Leonardi called the 1st motion and Committee Member Erick Lee called the 2nd motion. **MOTION APPROVED.**

VI. PUBLIC COMMENT – None

VII. ADJOURNMENT AND NEXT MEETING:

Meeting adjourned at 2:10 p.m. by consensus.

The next regular meeting is scheduled for Thursday, August 28, 2014.