



FINANCE COMMITTEE REGULAR MEETING MINUTES

LOS ANGELES REGIONAL
INTEROPERABLE COMMUNICATIONS SYSTEM AUTHORITY

July 23, 2015
LA County Fire Department Headquarters
1320 N. Eastern Ave., Training Room 26, Los Angeles, CA 90063

Committee Members Present:

Patricia Whelan, Vice-Chair - City of Los Angeles, LAPD
Matias Farfan, City of Los Angeles, Legislative Analyst Office
John Geiger, Chair - County of Los Angeles CEO
Doug Cline, County of Los Angeles Fire Dept.
Cynthia Evans, County of Los Angeles Sheriff's Dept.
Kay Fruhwirth, County of Los Angeles DHS/EMS
David Lantzer, Los Angeles Area Fire Chiefs
Dan Jordan, California Contract Cities

Alternate Committee Members Present:

Annemarie Sauer, City of Los Angeles CAO
Drew Steinberg, City of Los Angeles Fire Dept.

Officers Present:

Patrick Mallon, LA-RICS Executive Director
Susy Orellana-Curtiss, LA-RICS Project Team
Beatriz Cojulun, Committee Secretary

Absent:

Ed Roes, City of Los Angeles CAO
June Gibson, City of Los Angeles Fire Dept.
Jose Santome, Los Angeles Unified School District
Daniel Calleros, Los Angeles Police Chiefs Assoc.

[Type text]

AGENDA ITEM A



I. CALL TO ORDER

II. ANNOUNCE QUORUM – Roll Call

Chair John Geiger made an acknowledgement that a quorum was present and asked for roll call.

III. APPROVAL OF MINUTES (A-B)

A. July 24, 2014 – Regular Meeting Minutes

Committee Member Kay Fruhwirth called the first, Committee Member Dan Jordan called the 2nd. **MOTION APPROVED.**

B. June 30, 2015 – Special Meeting Minutes

Committee Member Fruhwirth called the first, Committee Member Patricia Whelan called the 2nd. **MOTION APPROVED.**

IV. REPORTS (C)

C. Director's Report – Pat Mallon

▪ Funding Plan Status:

- Ad Hoc Committee was tasked with developing an alternate funding plan. Since there was a vacancy of the chairperson, there were no discussions since then. John Geiger has returned and assumed leadership of the Ad Hoc Committee. Therefore, discussion will continue within the next 30 days.

▪ LTE Project Status:

- Executive Director Mallon provided handouts and went over both the Construction Site map and the LTE system coverage map. There are 18 sites completed; and 29 under construction. The Coverage map

was requested at the last meeting by Committee Member June Gibson.

- As a result of the stop and start, negotiations with contractor to settle additional claims are in discussion with Authority Counsel with a goal to submit an amendment to the Board no later than September 15, 2015.
- At the last Board of Directors meeting there were seven Master Agreements submitted for approval for User Equipment. All purchases associated with the grant must be completed before the September 30, 2015 deadline.
- LA-RICS received a preliminary design from Motorola for the LMR deployment and is awaiting analysis on some coverage questions which should be received in a couple of weeks. The City of LA had questions with a few options regarding coverage within the city. Once that is done LA-RICS can move forward with a frequency plan as well as the final design.
- We anticipate the need to present an amendment for Board consideration to the Jacobs contract relative to the Environmental Impact Report (EIR) and Environmental Assessment work the project requires.
- Grant Status:
 - BTOP grant expires on September 30, 2015 and there is minimal potential for an extension. NTIA has approved multiple billings and drawdowns during a month to assist with the grant closeout.
 - There is a proposed Memorandum of Understanding (MOU) that is a UASI Approval Authority directive, for LA-RICS and ICIS to work together and will be on the August 6, 2015 LA-RICS Board Agenda for discussion.

V. PUBLIC COMMENTS – (None)



VI. DISCUSSION ITEMS (D)

D. CONTINGENCY PLAN ON SUPPLANTING ISSUES/SOURCE OF FUNDING FOR PROJECT STAFF

Executive Director Mallon stated that at the last Board Meeting there were some questions regarding the support staff costs and there has been direction that the Finance Committee considers options.

Susy Orellana-Curtiss stated that the Proposed Draft FY2015-16 Operating Budget includes a line item for project staff assigned to the LA-RICS Project. A portion of the staff is covered by the BTOP grant through September 30, 2015. Ms. Orellana-Curtiss stated that there is a \$2.485 million allocation, including filling of vacant positions, on hold due to the current pending resolution on the supplanting issue. The \$2.485 is identified in the Proposed Draft FY2015-16 Operating Budget, under Grant Funded Expenditures, Project Team line item. This amount is for those project team members is identified as grant funded by either the UASI or SHSGP grants.

Ms. Orellana-Curtiss went on to explain that the initial UASI application was submitted in line with the adoption of the Funding Plan and the adoption of the FY2014-15 budget, where the LA-RICS Authority adopted/determined what was to be funded by JPA Member Funded Operations, funded by grants, and other funds. A decision was just recently conveyed to LA-RICS of possible supplanting in the request to fund project team staff by the UASI Grant Administrator.

Alternate Committee Member Drew Steinberg stated that the Approval Authority of the UASI grant has the decision to make whether or not a project is approved. In addition to FEMA making a final determination as to approval, it will be the UASI Authority that makes the decision.

Executive Director Mallon stated that the issue faced today is that that the County has allowed LA-RICS to assign staff from various County departments and has paid for the project team costs via an advance, out of the revolving fund account, which pays for grant-funded activities, replenished once claims are paid by the grantors. There is no agreement that obligates the County to support staffing; the County does not have to pay for staffing. With no budgeted funds in the County's budget, and the Authority having no funds contemplated in the adopted funding plan, what is left is to address who will pay for these expenditures, if the grant does not.

Alternate Committee Member Steinberg stated she understood the County would be able to fund the staff in FY 15-16, is that not accurate? Ms. Orellana-Curtiss



stated funding provided to pay for the staff would be a loan, per footnote 1 in the summary page of the draft FY15-16 budget.

Executive Director Mallon stated the funding plan would need to be modified. As proposed in an alternative funding plan, operating cost would be divided between LA City and County with a share coming from other subscribing agencies.

Committee Chair Geiger clarified that a decision is still to be reached for personnel and there may be a recommendation to put it in with the standard pro rata assessment that there is a geographic assessment to each member or may be forwarded into the risk-based plan for the two larger entities to split.

Ms. Orellana-Curtiss went over page one and explained and clarified questions raised by Committee members. A question arose from Committee Member Farfan regarding determining the separation of LMR and LTE systems / is there comingling, since funding would come from UASI/SHSGP and BTOP, as well as the separation of construction budget. Ms. Orellana-Curtiss stated that there is a separation of the staff funding source through the end of September 2015. The project team total is \$3.866 million for both LTE and LMR, of which BTOP funding is \$1.381 million for work to support the LTE system, and \$2.485 million is from UASI/SHSGP for work to support the LMR project. She went on to say that the assignment/funding of staff is based on projected time spent working on each project, with time-studies supporting the work split, a fifty-fifty split applied to a majority of staff. The projected figures reflect staff dedicated to the LTE project, reflecting significant work anticipated to close out the grant/project through the end of September. The level of effort is reflected in the \$1.381 million. After that date, project staff is fully funded by the LMR grants.

Alternate Committee Member Steinberg stated staff will continue to work on the operations of the LTE system, how will they be funded by UASI / SHSGP? Ms. Orellana-Curtiss clarified upon conclusion of the BTOP grant, we will not distinguish between LTE and LMR work, as there won't be one LTE dedicated grant to ensure separation from. And thus, LA-RICS will fund staff as the City of Los Angeles currently funds their staff assigned to the LA-RICS project, where they work on both LTE and LMR projects, but are 100% funded by UASI grant.

Alternate Committee Member Drew Steinberg said that is a separate entity, that's not part of the LA-RICS operating budget, the city team, so how will we have LA-RICS project team members working on LTE and LMR? Ms. Orellana-Curtiss stated we would fund the project just as the City of Los Angeles does. Alternate Committee Member Steinberg stated the UASI funds are intended solely for LMR and not for LTE work.



Ms. Orellana-Curtiss stated if required, LA-RICS would request the UASI/SHSGP Approval Authorities to fund the project team without a distinction of whether they work on LMR or LTE. Alternate Committee Drew Steinberg stated at the Board meeting it was mentioned SHSGP would be funding the project team, is that accurate? Ms. Orellana-Curtiss stated a letter confirming that has been requested, but confirmation was received by the SHSGP grant administrator that it would be allowed, and have encouraged submission of claims for the same. The issue we have is the available funds awarded to LA-RICS under SHSGP only cover the un-reimbursed project staff costs for FY14-15; however, there are not sufficient funds to cover expenditures for FY15-16.

Committee Member Farfan asked if this budget did not contemplate the construction of the system, and there is a separate budget for construction? Ms. Orellana-Curtiss stated the Contractors/Consultants Services line item identifies the cost for the construction of the system, as well as activities through the warranty period (one year effective 10/1/2015), and thus those expenditures are reflected in this budget.

Committee Member Kay Fruhwirth asked if we are able to bill SHSGP for project staff why, if FEMA administers both UASI and SHSGP grants, is it not supplanting for SHSGP and it is for UASI? Ms. Orellana-Curtiss stated that LA-RICS is looking for the opportunity to have those discussions with FEMA as it may just be a misunderstanding.

Alternate Committee Member Drew Steinberg asked if the intention was for the same staff being funded by SHSGP in FY 14-15 will be funded by UASI in 15-16, with no crossing over of fiscal year. Ms. Orellana-Curtiss stated yes.

Committee Member Farfan addressed the organizational chart, specifically asking about County Counsel, and wanted to understand what those four positions were for. Ms. Orellana-Curtiss clarified examples such as Counsel and Auditor-Controller, the Authority pays for time billed for their services but not full time bodies, however distinction in number of positions are identified due to their area of expertise, for example, one construction counsel, one site access agreement counsel, one environmental counsel, etc. They do not actually work full time, and the staff hours included in the budget is projected hours for each specialty's time, payable only as appropriately billed.

Committee Chair Geiger asked if aside from seeking clarification from FEMA regarding the supplanting issue, has LA-RICS also been in dialogue with the UASI Approval Board. The Authority is waiting to hear from FEMA, but this was the first LA-RICS had heard that it had to go back to the Approval Authority, therefore will be submitting modification.

Committee Member Matias Farfan questioned approving the whole amount at this time, for the funding sources that are solid. He asked if the budget could be approved in a lower amount in the interim, while other options are looked at. He suggested lowering the budget amount in order to maintain staffing in the short term. Chair Geiger asked would the amount be if vacant positions were backed out.

Ms. Orellana-Curtiss stated that in anticipation of a request to approve a smaller amount for project staff, she went ahead and did a pro rata amount of \$207,000 a month for staffing. There is also a line item that has certain management/administrative positions that were never included in the request for funding at the time of grant application over a year ago. These positions were never considered fundable by the UASI/SHSGP grants, as they were deemed management and administration. In discussions with the SHSGP grant administrators, it may help to gain expedited approval if positions were renamed to reflect the functional work vs. the title/job specification that do not align with the work being performed, for example, the Executive Assistant could be misconstrued as providing support to the Executive Director, when in reality she manages the site access agreements and outreach projects, among other allowable deliverables; therefore the grant administrators have recommended assigning functional titles to align with what is really being done.

Committee Member Steinberg recommended the option of staffing the project with consultants, as that didn't appear to be a problem with the grantor. Director Mallon stated it could be done, however, would negatively impact the project, as those staffers are billed on a loaded rate, very likely increasing costs, as well as being counterproductive, losing institutional knowledge gained by the current project staff. The Executive Director pointed out the staff is contracted via contract between the County and the Authority.

It was suggested by Committee Member Fruhwith that LA-RICS explore speaking with FEMA regarding the contracted staff and be able to bill under that, since they don't appear to have problems with funding consultants, in essence, these project team member, brought on-board via agreements/MOU are in fact contracted team members. Executive Director Mallon stated that LA-RICS does not have direct contact with FEMA; it is through the City of LA for UASI and the LA County CEOs office for SHSGP. Ms. Orellana-Curtiss stated that it was a good idea and LA-RICS could request to share the MOU and Master Agreement for each staff position assigned to the project to show that they are each contracted.

There are a number of alternatives relative to the question of supplanting:

- 1) Finding clearance that supplanting is not an issue and maintain the budget as-is; or



- 2) Establish a Pro rata assessment and pass this on to members via amendment to the adopted funding plan; or
- 3) Include these costs into the Risk based alternative funding plan of FY2015-16 and share the cost by those agencies absorbing the risk; or
- 4) Establish a contractor-based support staff using a private contractor to provide those services; or
- 5) Reduce or eliminate staff.

Committee Member Farfan asked if moving forward, LA-RICS was moving towards having employees. Director Mallon stated the Board was opposed to retaining employees due to liabilities assumed, when taking on employees. Committee Member Farfan asked how other JPA's, for example the Crime Lab, handled employee situation. Director Mallon confirmed there were no employees, only contributed staff by each of the members on the project (University, LAPD and LASD).

If there is any new information for the Committee to address, there might be a Special Finance Committee Meeting on Tuesday, August 4, 2015, before the next Board of Directors meeting on Thursday, August 6, 2015. If no new information, then the current options will be disclosed to the Board. **MOTION APPROVED by unanimous vote.**

VII. ADMINISTRATIVE MATTERS (None)

VII. MISCELLANEOUS – (None)

V. PUBLIC COMMENTS – (None)

VI. ITEMS FOR FUTURE DISCUSSION AND/OR ACTION BY THE BOARD

VII. CLOSED SESSION REPORT – (None)

VIII. ADJOURNMENT and NEXT MEETING:

Chair Geiger announced adjournment of this meeting at 2:00 p.m. The Committee's consensus was unanimous.

The next Committee meeting will take place on Thursday, August 27, 2015, at 1:00 a.m., at the same place, LA County Fire Department Headquarters.