



FINANCE COMMITTEE MEETING MINUTES

LOS ANGELES REGIONAL INTEROPERABLE COMMUNICATIONS
SYSTEM AUTHORITY

July 27, 2017

LA-RICS Headquarters, Large Conference Room
2525 Corporate Place, Suite 200, Monterey Park, CA 91754

Committee Members Present:

John Geiger, CEO, Chair, County of Los Angeles
Bill Song, Commander, Los Angeles County Sheriff's Dept.
Karolyn (Kay) Fruhwirth, County of Los Angeles DHS/EMS
Marie DiBernardo, Captain, City of Inglewood Police Dept.

Alternates Committee Members Present:

Debbie Aguirre, Alternate for Doug Cline, Los Angeles County Fire Dept.

Officers Present:

Susy Orellana-Curtiss, LA-RICS Administrative Deputy

Absent:

Doug Cline, Los Angeles County Fire Dept.
Daniel Calleros, Chief of Police, Los Angeles County Police Chiefs' Assoc.
Daniel Jordan, CA Contract Cities Assoc.
John Curley, Chief of Police, At Large Seat #5, City of Covina
Ron Sagmit, Lieutenant, City of Signal Hill

Scott Edson, LA-RICS Executive Director

I. CALL TO ORDER

II. ANNOUNCE QUORUM – Roll Call

A quorum was not present, therefore, no need for roll call. As there was no quorum present, all items contemplated under Administrative Matters were addressed as Discussion Items only with no action taken. Administrative Matters will be placed on the next Finance Committee meeting agenda for approval, if appropriate.

III. APPROVAL OF MINUTES (A)

A. September 24, 2015 – Regular Meeting Minutes

No quorum was present, consequently minutes not approved.

IV. PUBLIC COMMENTS – (None)

V. CONSENT CALENDAR PUBLIC COMMENTS – (None)

VI. REPORTS (B)

B. Project Report – Program Manager Justin Delfino / Admin Deputy Susy Orellana-Curtiss

Long Term Evolution (LTE) Project Status

- Deputy Program Manager, Delfino, provided a brief status update on the LTE project. He indicated that nine (9) Cell-on-Wheels (COW's) previously discussed at the May 26, 2016, Finance Committee meeting are still on track to be incorporated into the system, which should be completed by August 2017.
- Deputy Program Manager Delfino went on to brief the committee regarding the Public Safety Broadband Network (PSBN) Round 1 efforts to-date, explaining there are 63 operational LTE Sites, with one (1) LTE Site still being configured and is on target for an August 2017 completion.

Land Mobile Radio (LMR) Project Status

- Deputy Program Manager Delfino also provided a status update on the LMR project, which he indicated was tracking very well. In particular, he stated that with respect to Urban Area Security initiative (UASI) '13, ten (10) LMR Sites have been completed to date, and an additional seven (7) LMR Sites are expected to be completed by the grant performance period deadline of March

2018. Deputy Program Manager Delfino went on to further state that the team expects to start construction on an additional 19 LMR Sites within the performance period. Deputy Program Manager Delfino completed his report by looking beyond March 2018, stating that the team plans to start construction on an additional 31 LMR Sites utilizing UASI '17 funding.

Grant Status

- Administrative Deputy, Susy Orellana-Curtiss provided a grant status update reporting on UASI '12 and UASI '14 grants. Administrative Deputy Orellana-Curtiss stated both UASI grants ended this last quarter explaining that LA-RICS successfully depleted the UASI '12 grant consisting of \$18 million dollars consistent with Deputy Program Manager Delfino's LMR report. She went on to further report that as of May 2017, the UASI '14 grant consisting of \$5 million dollars was also successfully depleted in accordance the spending plan and associated activities.
- Administrative Deputy Orellana-Curtiss went on to express that while LA-RICS experienced certain grant spending issues in the past, the depletion of UASI grants '12 and '14 demonstrated good progress for the project, and the same will be reported to the UASI Approval Authority at their meeting today at 2:00 p.m.
- Lastly, Administrative Deputy Orellana-Curtiss announced there are currently two (2) open grants with an additional grant forthcoming as follows:
 - UASI thirteen (13) completed sites with seven (7) additional sites expected to be completed by March 2018 as reported by Deputy Program Manager Delfino.
 - UASI '16 – ongoing activities.
 - UASI '17 – pending execution of Subrecipient Agreement for \$35 million dollars.

VII. DISCUSSION ITEMS (C-D)

C. REVIEW AND RECOMMEND APPROVAL OF THE PROPOSED OPERATING BUDGET

This item was taken out of sequence and discussed subsequent to Item D (LA-RICS Finance Committee Meeting Schedule for 2017).

Administrative Deputy Orellana-Curtiss presented the proposed Operating Budget for Fiscal Year (FY) 2017-18 to the Finance Committee for their review only, which she indicated was similar to the FY 2016-17 Operating Budget that was presented last year to this Committee. Administrative Deputy Orellana-Curtiss proceeded to detail the differences between the FY 2016-17 and FY 2017-18 Operating Budgets, which reflects a shift from PSBN System Warranty Period to Operations and Maintenance of the PSBN system; with Operations and Maintenance being funded by Members through LTE Operations and Maintenance (O&M) and not the Broadband Technology Opportunity Program (BTOP) Grant.

Member Funded Joint Power Authority (JPA) Operations, LTE Administrative Cost, LTE O&M, and LMR Administrative Cost

Administrative Deputy Orellana-Curtiss stated that the expenditures reflect the continuation of certain closeout activities in PSBN Round 1 previously mentioned by Deputy Program Manager Delfino, such as continued work at the USC site and some power connection work at existing COW's sites. As a result there is some activity that extends into FY 2017-18 that is funded by the BTOP Grant.

Additionally, Administrative Deputy Orellana-Curtiss announced that the BTOP Grant has approved LA-RICS to move forward with three (3) objectives, which all fall under Round 2 grant funded activities:

- 1) The funding of the member connectivity onto the PSBN System;
- 2) The purchase and deployment of Cell-On-Light-Trucks (COLTS) which will assist in providing connectivity to sites that are remote and not accessible by the COW's or by the larger communication vehicles such as Station B; and
- 3) The deployment of a Demonstration and Testing Center.

LA-RICS Project Team

Administrative Deputy Orellana-Curtiss stated that LA-RICS is moving forward with the Project Team that was included in previous year's (FY 2016-17) Operating Budget, which includes representatives from the County of Los Angeles, such as the Internal Services Department, Sheriff's Department, and Fire Department, and have some new teams member positions that have been filled and are reflected in the FY 2017-18 Operating Budget.

Committee Member Karolyn (Kay) Fruhwirth asked if LA-RICS had billed and collected member contribution for FY 2016-17 Operating Budget to which Administrative Deputy Orellana-Curtiss responded that contributions have not been collected. Administrative Deputy Orellana-Curtiss indicated that LA-RICS will proceed with the same

recommendation for FY 2017-18 as was the case with FY 2016-17, that LA-RICS do not begin member billing until a policy decision is reached. That policy will be presented to the Finance Committee first and subsequently presented to the Board. She went on to explain that with the uncertainties related to FirstNet and the deployment of the State Plan and the decision that is still pending regarding the opt-in or opt-out, and whether LTE Maintenance and Operations will remain with LA-RICS or if the operations will be shifted and taken over by the National PSBN (NPSBN) or the State, these uncertainties impact what would be a member borne cost. Further, there are some other questions being discussed regarding O&M and the deployment of the LMR System. Administrative Deputy Orellana-Curtiss explained that while those questions and uncertainties are being addressed, LA-RICS is moving forward with the member-funded line items, which is JPA Operations, and LTE and LMR Administrative costs not covered by the grants being provided by the County of Los Angeles as a loan through FY 2017-18.

Committee Member Fruhwirth suggested that on the narrative portion of the Executive Summary to also include the totals for the Member Funded JPA Operations. Administrative Deputy Orellana-Curtiss stated that the requested adjustment would be included in the Executive Summary and prior to being presented it to the JPA Board.

Chair Geiger asked if the suspension of billing or holding advance billing to members was for, among other reasons, to sync up beneficial use with billing for active users, to which Administrative Deputy Orellana-Curtiss corroborated, stating that Interim Executive Director Radleff in his assessment of the LA-RICS Project recommended that member billing be delayed until beneficial use could be achieved.

Chair Geiger continued, directing a procedural inquiry to Counsel to the Authority, Truc Moore, and Administrative Deputy Orellana-Curtiss, that while traditionally recommendations are presented to the Finance Committee first for a recommendation to the JPA Board, is there any legal impediment, in the absence of a quorum to approve a recommendation, to proceed with the Operating Budget being included as an Agenda item for JPA Board approval for the upcoming JPA Board Meeting (Thursday, August 3, 2017). Counsel Moore stated that Chair Geiger was correct and the Board would require a formal notification to which Chair Geiger stated that a brief report would be provided and if there are any issues can be vetted at that time. Administrative Deputy Orellana-Curtiss stated that the meeting would be an ideal opportunity to urge the Board to fill vacancies on the Finance Committee, in an effort order to avoid not achieving quorum in the future.

Committee Member Fruhwirth asked if there are any plans to revisit the subscriber plan discussed previously in the years past. Chair Geiger responded that his understanding is that terms of broadband LTE that is a decision that that will be driven by who the resultant provider will be, whether it will be FirstNet or someone else. The



resultant provider will be establishing the subscription rate, whatever that may be. In terms of LMR, no subscription rates would be established or enforced until the project is closer to completion, although for non-member users that are receiving a share of services (e.g. contract cities) that will be included within the contract law assessment to those users. Chair Geiger went on to explain that from a CEO perspective, the position has been and continues to be that everyone would pay their fair share and no one is double billed. To that end, if an agency is receiving radio services as a stand-alone through JPA membership, through a JPA subscription model, or receiving it as a bundle of broader services through the Los Angeles Sheriff's Department, everyone is paying the same rate. Chair Geiger acknowledged that those members who have maintained their participation with the Project all along, their contributions which became due in 2014-15, will be taken under consideration for their good will and continued participation.

Administrative Deputy Orellana-Curtiss was in agreement with Chair Geiger stating that due to the timing of the release of the State Plan and the proposed billing rates contemplated in the California State Plan, it deterred LA-RICS from releasing a subscription model for users to start paying for the PSBN when there is uncertainty regarding what price LA-RICS will be paying (e.g. to AT&T or to the State of California). She also encouraged Committee Members and Alternates Committee Members to submit comments regarding the State Plan released by FirstNet stating that some initial pricing was released, which LA-RICS reviewed and found was lacking important details/information. Administrative Deputy Orellana-Curtiss again encouraged the submission of comments explaining that this could potentially be the system that the users will be subject to, if the State decides to opt-in.

Alternate Committee Member Mike Iwanaga asked when FirstNet is projected to conclude their process. Administrative Deputy Orellana-Curtiss stated that the 45-day review period for the State of California to review the State Plan is the week of August 1st, then FirstNet has a 45-day period to adjudicate a review of the comments submitted by each respective state. Subsequently, FirstNet will reissue a revised plan, allowing time for the State to review and/or make a decision to opt-in or to issue a Request for Proposals (RFP) for an alternative solution. Chair Geiger confirmed and expanded on the discussion stating that FirstNet has to provide a final State Plan, likely in September 2017, and California through the Governor's office will likely have until December 2017 to make a determination.

With respect to the proposed cancelled December meeting, Chair Geiger suggested that should an increased level of activity arise in September as a result of a final State Plan being issued, coordination of working Subcommittees or a Special meeting may be in order to keep the JPA Board apprised of the matter, in particular if a letter of endorsement is necessary.



Administrative Deputy Orellana-Curtiss suggested including a recommendation for Delegated Authority to issue a written recommendation regarding the State Plan in the September Board Agenda, which Chair Geiger agreed.

ITEM DISCUSSED.

D. LA-RICS FINANCE COMMITTEE MEETING SCHEDULE FOR 2017

This item was taken out of sequence and discussed prior to Item C (Review and recommend approval of the proposed Operating Budget).

Chair Geiger suggested that the Finance Committee consider not holding the December meeting, due to it being a month full of activities and tight schedules. Chair Geiger indicated that in the absence of a formal action, he requested a revised Finance Committee Schedule be placed on the agenda for the next Finance Committee meeting reflecting meeting dates for the remainder of the 2017 calendar year, excluding the December meeting; addressing items in January 2018.

ITEM DISCUSSED.

VIII. MISCELLANEOUS – (None)

IX. CLOSED SESSION REPORT – (None)

XIII. ADJOURNMENT and NEXT MEETING:

Chair Geiger announced adjournment of this meeting at 2:57 p.m. The Committee's consensus was unanimous.

The next Committee meeting will take place on Thursday, August 24, 2017, at 1:00 p.m., LA-RICS Headquarters, 2525 Corporate Place, Large Conference Room, Monterey Park, CA 91754.