



AGENDA

LOS ANGELES REGIONAL INTEROPERABLE COMMUNICATIONS SYSTEM AUTHORITY

SPECIAL FINANCE COMMITTEE MEETING

Thursday, February 28, 2019 • 1:30 p.m.
LA-RICS Headquarters, Large Conference Room
2525 Corporate Place, Monterey Park, CA 91754

Los Angeles Regional Interoperable Communications System Authority (the "Authority")

AGENDA POSTED: February 22, 2019

Complete agendas are available for review at the designated meeting location. Supporting documentation is available at the LA-RICS Office located at 2525 Corporate Place, Suite 100, Monterey Park, CA 91754 during normal business hours and may also be accessible on the Authority's website at <http://www.la-rics.org>.

Members:

1. **John Geiger, Chair**, County of Los Angeles Chief Executive Office
2. **Doug Cline**, County of Los Angeles Fire Department
3. **Bill Song, Vice-Chair**, County of Los Angeles Sheriff's Department
4. **Karolyn Fruhwirth**, County of Los Angeles Department of Health Services
5. **Vacant**, Los Angeles Area Fire Chiefs' Association
6. **Vacant**, Los Angeles County Police Chiefs' Association
7. **Rebekka Hosken**, California Contract Cities Association
8. **John Curley**, City of Covina, At Large Seat #5
9. **Marie DiBernardo**, City of Inglewood, At Large Seat #2
10. **Ron Sagmit**, City of Signal Hill, At Large Seat #4

Alternates:

1. **Michael Iwanaga**, County of Los Angeles Chief Executive Office
2. **Leticia Rivera**, County of Los Angeles Fire Department
3. **Hiroshi Yokoyama**, County of Los Angeles Sheriff's Department
4. **Maria Morales**, County of Los Angeles Department of Health Services
5. **Vacant**, Los Angeles Area Fire Chiefs' Association
6. **Vacant**, Los Angeles County Police Chiefs' Association
7. **Vacant**, California Contract Cities Association
8. **Ric Walczak**, City of Covina, At Large Seat #5
9. **Gabriela Garcia**, City of Inglewood, At Large Seat #2
10. **Nick Davenport**, City of Signal Hill, At Large Seat #4

Officers:

Scott Edson, Executive Director
Susy Orellana-Curtiss, LA-RICS Administrative Deputy
Beatriz Cojulun, Committee Secretary



NOTE: ACTION MAY BE TAKEN ON ANY ITEM IDENTIFIED ON THE AGENDA

I. CALL TO ORDER

II. ANNOUNCE QUORUM – Roll Call

III. APPROVAL OF MINUTES (A-B)

A. December 20, 2018 – Regular Meeting Minutes

Agenda Item A

B. January 24, 2019 – Special Meeting Minutes

Agenda Item B

IV. PUBLIC COMMENTS

V. CONSENT CALENDAR - (None)

VI. REPORTS (C-D)

C. Status Report Update for LTE

D. Status Report Update for LMR

VII. DISCUSSION ITEMS – (E)

E. Finance Ad Hoc Committee Reporting

VIII. ADMINISTRATIVE MATTERS - (None)

IX. MISCELLANEOUS - (None)

X. CLOSED SESSION REPORT - (None)

XI. ITEMS FOR FUTURE DISCUSSION AND/OR ACTION BY THE COMMITTEE

XII. ADJOURNMENT AND NEXT MEETING:

Thursday, March 21, 2019, at 1:30 p.m., LA-RICS Headquarters, 2525 Corporate Place, Large Conference Room, Monterey Park, CA 91754.



COMMITTEE MEETING INFORMATION

Members of the public are invited to address the LA-RICS Committee on any item on the agenda prior to action by the Committee on that specific item. Members of the public may also address the Committee on any matter within the subject matter jurisdiction of the Committee. The Committee will entertain such comments during the Public Comment period. Public Comment will be limited to three (3) minutes per individual for each item addressed, unless there are more than ten (10) comment cards for each item, in which case the Public Comment will be limited to one (1) minute per individual. The aforementioned limitation may be waived by the Committee's Chair.

(NOTE: Pursuant to Government Code Section 54954.3(b) the legislative body of a local agency may adopt reasonable regulations, including, but not limited to, regulations limiting the total amount of time allocated for public testimony on particular issues and for each individual speaker.)

Members of the public who wish to address the Committee are urged to complete a Speaker Card and submit it to the Committee Secretary prior to commencement of the public meeting. The cards are available in the meeting room. However, should a member of the public feel the need to address a matter while the meeting is in progress, a card may be submitted to the Committee Secretary prior to final consideration of the matter.

It is requested that individuals who require the services of a translator contact the Committee Secretary no later than the day preceding the meeting. Whenever possible, a translator will be provided. Sign language interpreters, assistive listening devices, or other auxiliary aids and/or services may be provided upon request. To ensure availability, you are advised to make your request at least 72 hours prior to the meeting you wish to attend. (323) 881-8291 or (323) 881-8295

SI REQUIERE SERVICIOS DE TRADUCCION, FAVOR DE NOTIFICAR LA OFICINA CON 72 HORAS POR ANTICIPADO.

The meeting is recorded, and the recording is kept for 30 days.



FINANCE COMMITTEE

REGULAR MEETING MINUTES

**LOS ANGELES REGIONAL
INTEROPERABLE COMMUNICATIONS SYSTEM AUTHORITY**

Thursday, December 20, 2018 • 1:30 p.m.
Los Angeles Regional Interoperable Communications System
Headquarters
Large Conference Room
2525 Corporate Place, Suite 200, Monterey Park, CA 91754

Finance Committee Members Present:

John Geiger, County of Los Angeles Chief Executive Office
Doug Cline, County of Los Angeles LACoFD
Bill Song, County of Los Angeles Sheriff's Dept.
Karolyn (Kay) Fruhwirth, County of Los Angeles Department of Health Services
Rebekka Hosken, California Contract Cities Association
Marie DiBernardo, City of Inglewood Police Department

Alternates For Finance Committee Members Present:

Ric Walczak, City of Covina Police Department

Officers Present:

Susy Orellana-Curtiss, LA-RICS Administrative Deputy
Scott Edson, LA-RIC Executive Director

Absent:

John Curley, City of Covina Police Department
Ron Sagmit, City of Signal Hill Police Department



NOTE: ACTION MAY BE TAKEN ON ANY ITEM IDENTIFIED ON THE AGENDA

I. CALL TO ORDER

Chair John Geiger called the Regular Meeting of the Finance Committee to order at 1:30 p.m.

II. ANNOUNCE QUORUM – Roll Call

Joann Huerta performed a roll call and acknowledged the presence of quorum.

III. APPROVAL OF MINUTES (A)

A. November 15, 2018 – Regular Meeting Minutes

Administrative Deputy Susy Orellana-Curtiss informed the Committee Members the Finance Committee meeting held on November 15, 2018, did not reach quorum, therefore, the meeting minutes were reflected as a Receive and File only.

Committee Member Karolyn (Kay) Fruhwirth motioned first to receive and file meeting minutes, seconded by Committee Member Doug Cline.

Ayes 6: Geiger, Song, Hosken, Walczak, and DiBernardo.

IV. PUBLIC COMMENTS

Chair Geiger reported a public comment card for Mr. Charles Bourgault, Verizon Wireless, Inc.

Verizon Managing Partner, Mr. Bourgault greeted the Committee and commented on agenda items related to member rate structure. He asked the Committee to consider the LA-RICS Band 14 network built-out, as well as the AT&T, Inc. (AT&T)/ First Responders Network (FirstNet), and the billing methods for LTE (Long Term Evolution) services. If billing various municipalities for LTE services will be similar to Land Mobile Radio (LMR), Mr. Bourgault expressed Verizon's desire to compete as a considerable option.

V. CONSENT CALENDAR – (None)

VI. REPORTS (B-C)

B. LONG TERM EVOLUTION (LTE) UPDATE – Televate Technical Lead, Eileen Healy



Technical Lead Eileen Healy provided the Committee with a status update regarding LTE Round 2 sites. Ms. Healy stated selection of 26 sites are proceeding on schedule for the next phase of deployment, funded via the augmented BTOP grant and forms part of the agreement with FirstNet and AT&T. Ms. Healy stated funds have been set aside for the installation of new routers on vehicles for the County of Los Angeles (County) Los Angeles County Fire Department (LACoFD) and County of Los Angeles Sheriff's Department (LASD). The LACoFD has already started the router installment process, with LASD soon to follow.

There were no questions at the conclusion of the report.

C. LAND MOBILE RADIO (LMR) UPDATE – Administrative Deputy Susy Orellana-Curtiss

Administrative Deputy Orellana-Curtiss provided the Committee an LMR status update. She reported to the Committee the Authority is on track, as far as deployment of sites in accordance with the Urban Area Security Initiative (UASI) '16 spending plan, set to close in March 2019. As the Authority reported to the Board of Directors (Board) at its November meeting, the next couple of months have significant ongoing activities, however the scope of the presentation to this group will be limited to activities with fiscal impact. Detailed project reports will be given at the technical and operations committee meetings as well as Board meetings. We are happy to report the project is on track to a successful close-out of the UASI '16 grant. The UASI '17 grant, which is also an open and active grant, will continue with the addition of nine (9) LMR sites.

There were no questions at the conclusion of the report.

VII. DISCUSSION ITEMS – (D)

D. Finance Ad-Hoc Committee Reporting

Administrative Deputy Orellana-Curtiss reported the Ad-Hoc Committee had its initial meeting on November 6, 2018, and its second meeting on December 12, 2018. The Ad-Hoc Committee discussed costs associated with baseline costs that make up the LMR System and the consideration of going live in early 2021. Your Agenda Packet contains a couple of handouts, one of which details the LMR Annual Projected Costs, which the Ad-Hoc Committee discussed. Administrative Deputy Orellana-Curtiss stated the LMR Annual Projected Costs consist of Administrative Costs, the projected LMR Operations and Maintenance (O&M) costs as well as lifecycle /system refresh costs. Administrative Costs are for the staff as well as operations support items that support the system. The actual LMR O&M costs (option not yet executed) provides baseline costs obtained during the solicitation of the LMR System contract. The baseline costs also included the Lifecycle Costs, which are the infrastructure



replacement costs over 15 years at \$55 million. Those form the Baseline Costs for the LMR System.

Administrative Deputy Orellana-Curtiss said the Ad-Hoc Committee discussed at length: how to address the subscription rate setting; what would be the most favorable setting for the potential subscribers; does LA-RICS provide an introductory fixed rate and escalate to a set rate for a term of ten (10) years. Another consideration discussed was a fixed rate that does not change, allowing the flexibility for subscribers to plan and budget appropriately without rate escalation, providing LA-RICS the revenue to offset the LMR Baseline Costs.

Administrative Deputy Orellana-Curtiss stated a frequently asked question at the Ad-Hoc Committee and Board level was the treatment of the Contract Cities given the current structure of the funding plan. She shared some of the topics discussed, such as how LA-RICS would structure the funding plan if they were to revise and go to a subscription-based plan and how LA-RICS would ensure there is no double billing of the Contract Cities for services received through the County.

Administrative Deputy Orellana-Curtiss introduced Lieutenant Ed Winslow, representing LASD Contract Law. Lieutenant Winslow attended the December Ad-Hoc meeting, provided information regarding the existing Contract Cities cost model/cost structure that County realizes with its Contract Cities, which does not include radio communication services.

Lieutenant Winslow stated that current policy does not include charges to Contract Cities for voice communication; Board of Supervisor approval is required to change the current policy.

Chair Geiger stated that LA-RICS has always contemplated working with Contract Law in order to agree on a rate. He stated at that time, the presumption of joining as subscribers through the Joint Powers Authority (JPA) first, would have avoided double billing and ensure equal rate settings for LA-RICS Members, Contract Cities, and the independent cities. Chair Geiger asked Lt. Winslow if the draft subscription rates had been analyzed by contract law to ensure they would not affect the current rate structure.

Lieutenant Winslow stated that currently, he could only provide information regarding voice communication airtime and corresponding charges to contract cities, but can return to the Committee with a proper response regarding the rate fitting into the established costs.

Administrative Deputy Orellana-Curtiss stated that LA-RICS discussions with Contract Law prior Lieutenant Winslow's participation included whether the subscription rate



should consider the lifecycle including annualization of those costs over 30 years. Discussions also went into whether it was more appropriate to take the lifecycle through the intended duration, which was the \$55 million to cover lifecycle components within 15 years, depending on the major pieces and parts of the LMR System.

Administrative Deputy Orellana-Curtiss shared feedback from Contract Law that agencies were expecting a revisit or a re-analysis of a subscription rate at or about every ten (10) years. Additionally, Administrative Deputy Orellana-Curtiss said a rate that covered a 30-year term projecting for unforeseen changes in a system of this magnitude was not realistic. Therefore, agencies would expect and receive reconsideration or a revisit analysis at every ten (10) years. Administrative Deputy Orellana-Curtiss commented that Contract Law provided very helpful input at the Ad-Hoc discussion.

Chair Geiger agreed and added that having a sufficient period to budget was good, but not so long that numbers are not current and require recalculation.

Committee Member Kay Fruhwirth asked if LA-RICS contemplated an administrative cost of \$2 million over the ten (10) year period, considering increases to staff costs might occur. She observed that historically salaries have increased; if these administrative costs are mostly salaries, the cost may require adjustment.

Administrative Deputy Orellana-Curtiss confirmed the administrative costs, contemplates adjustments such as Cost of Living. LA-RICS took an average over the ten (10) years; considered the existing Cost of Living, employee benefit fluctuations, and factored them in the baseline LMR costs.

Committee Member Bill Song asked Lieutenant Winslow, currently under LMR, if LASD does not have a cost line for radio communications that it passes on to the contract cities are radio communications costs absorbed by LASD. If LASD were to join the LA-RICS LMR subscription, he questioned if it would be something that LASD would just have to absorb in addition to the radios that they would have to place on LA-RICS. Lieutenant Winslow stated that he was correct.

Executive Director Edson stated it seems that according to Contract Law, when Contract Cities contract a Deputy Sheriff, their services may vary in what they require for each assignment, such as hours, badge, gun, radio, police car, mobile data computer, and/or body worn camera, etc. There are additional city expenses to consider, such as the usage of the Clara Shortridge Foltz Courthouse (CCT), etc. Therefore, there is a formula that considers payment for the services that each Deputy Sheriff entails.



Committee Member Fruhwirth commented that if cost increases, then the cost of contracting a Deputy Sheriff could be negotiated with those Contract Cities.

Chair Geiger stated the importance in the rate setting going forward is to be transparent and clear that a fully burdened rate captures the same costs a member would pay for the same service. Contract Cities' billing should be the same rate as an LA-RICS Member or LA-RICS subscriber. Contract Cities do not need to be a subscriber because they are getting it as a fully burdened rate through LASD.

Administrative Deputy Orellana-Curtiss referred the committee to handouts included in their packets addressing LMR Projected Costs already discussed as well as the Subscription Rate Scenarios handout. The Ad-Hoc Committee considered an introductory subscription rate scenario vs. a fixed subscription rate. She provided the Committee with background as to why LA-RICS considered an introductory subscription rate scenario. At the onset of the go-live period in 2021, LA-RICS anticipates there will be a baseline number of approximately 20,000 to 25,000 radios on the System, primarily made of LACoFD, LASD, and other County agencies (District Attorney, Probation, etc.), excluding other member agencies interested in coming on the system in the initial Go-live years. The introductory rate setting would incentivize users on the system in the early years thus offsetting full LMR baseline costs. However, the variance in rate from years 1-5 for user A may be compared to the rate paid by user B if B comes on the system in year 6 which the Ad-Hoc Committee felt could lead to confusion.

Another scenario considered contemplates the lifecycle fund annualized/amortized over ten (10) years. Setting the rate at \$25 per radio. She reminded the Committee in the existing adopted funding plan LA-RICS introduced the lifecycle cost at year 15, which results in a significant rate increase. This scenario stabilizes the rate over the term of the agreement.

Administrative Deputy Orellana-Curtiss asked the Committee to review Scenario B, which contemplates repayment to the County over 25 years. She provided the feedback LA-RICS received by the Committee, indicating since LA-RICS has not been given a term for collection of the County loan the Ad-Hoc Committee wanted to present to your Committee one repayment scenario of 25 years, the reason is LA-RICS is trying to stay as close as possible to the desired competitive rate, which the Ad-Hoc Committee agrees is no more than \$25 per radio.

Administrative Deputy Orellana-Curtiss brought forward the Ad-Hoc Committee's feedback. The Committee asked about the introductory rate versus new rate. If an agency joins at year six (6), but it is their first year at LA-RICS do they get the introductory rate for five (5) years? The Committee received feedback across the



board that there should be one rate with no change. Knowing the rate eliminates confusion, allows for planning, budgeting, and stability.

Administrative Deputy Orellana-Curtiss said LA-RICS contemplates working closely with the Operations Committee in an effort to identify members and non-member agencies interested in LA-RICS assessing the feasibility of them coming on-board by 2021 and to assess the feasibility of radios on the system at year 6.

Administrative Deputy Orellana-Curtiss was asked if there is a delta of 6,500 radios, what would it mean in terms of the size of the potential market. She replied that it depends on what LA-RICS is considering potential market, for example secondary responders coming on the system at year one from the County's CWIRS system (1) the Ad-Hoc Committee concerns are somewhat mitigated, partly because LA-RICS numbers grow significantly if LA-RICS is not just targeting the first responders, such as law enforcement and fire agencies. If LA-RICS looks at the agencies count for public works, animal control, utilities, etc., then the number grows significantly.

Chair Geiger assumed that if worst-case scenario, if only the traditional primary responders go-live, such as law enforcement and fire, if LA-RICS knows the size of that potential market. Administrative Deputy Orellana-Curtiss stated current membership count of public safety users only is 38,000 radios assuming all members of the JPA include all radios at go-live.

Administrative Deputy Orellana-Curtiss stated the LA-RICS team is currently working on the numbers for non-members and will come back with that information. She also said that LASD and LACoFD are working closely with other regional agencies to find out when their existing systems reach end of life and whether the \$20-\$25 per radio rate is feasible for their agency given their radio count and technical needs (new radio/equipment purchase). In addition, knowing if they have existing agreements that take them through such terms, and targeting an on-board date for the LA-RICS System.

Chair Geiger expressed that 6,000 out of the 33,000 radios seems minor, allowing smoother discussions to take place with public agencies that may act as guarantor, also providing accessible rates even if initially undersubscribed. The market is large enough, in terms of not being an overreach, but 80 percent of the remaining potential users out there would be an overreach.

Administrative Deputy Orellana-Curtiss expressed the Committee is also working on what LA-RICS could do in the event that at year one (1) go-live, LA-RICS is unable to achieve the 20-30 thousand radios required to offset LMR Baseline costs. The Committee understands schedule, feasibility, number of interested agencies, and the feedback that LA-RICS received from those agencies, are the factors that will assist with risk assessment.



Executive Director Edson commented on his many visits to cities, how he provides updates on items such as FirstNet and LMR, and uses the \$25 radio cost to provide those cities an estimated rate. He informed the Committee one city was paying \$34,000 a year to-date and if they change the model, then their cost would add up to \$6,000. Therefore, the feedback is the cities are anxious to join. Executive Director Edson stated another city was upgrading their radio system; but are instead going to invest in the actual mobiles and portables and wait for release of our subscription plan. He acknowledged the word is getting out and interest is increasing, so LA-RICS' goal is to provide the lowest cost which will drive users to join resulting in maximum interoperability.

Administrative Deputy Orellana-Curtiss answered a question that both Ad-Hoc and Finance Committee raised regarding the user base the system can accommodate. She stated the System was designed for regional use. However, we will request the technical team provide a presentation for this Committee regarding capacity as well as potential for degradation.

Chair Geiger stated once the Ad-Hoc Committee is ready to present proposed numbers, LA-RICS Finance Committee can present to the Board. In terms of these and other collateral questions, the sizing of the System, and potential non-member subscribers, would be reachable providing universal market knowledge to LA-RICS, but excluding Contract Cities. Chair Geiger continued by stating these are likely important questions for the analysis to produce answers. Chair Geiger requested an estimated date to provide the cost report.

Administrative Deputy Orellana-Curtiss stated the Ad-Hoc would meet again on January 16, 2019, to discuss system capacity and its impact, if any, by secondary users. She discussed another component; the Authority is issuing a Request for Information (RFI) for a LMR O&M, in order to assess O&M baseline figure included in these scenarios is appropriate. The numbers LA-RICS included in the Baseline Costs were provided by Motorola when they initially bid on the LMR system deployment contract. The System is different in scope following the member opt-out period and re-design. In addition, LA-RICS wants to assess what others in the market provide, as far as a solution, through the RFI on the O&M component. Administrative Deputy Orellana-Curtiss said those are a few of the items that LA-RICS wants to present to the Committee to conclude the report; the timeline of the onboarding of the user base, whether or not the System is able to take on additional users without system degradation, system value add-ons such as Push to Talk, Records Management and Computer Aided Dispatch, as well as the report back on the O&M pricing.

Chair Geiger asked Administrative Deputy Orellana-Curtiss if LA-RICS asked Motorola to refresh, based on the System as it is now, or are there any plans to do so.



Administrative Deputy Orellana-Curtiss stated Motorola has provided an initial report, however would like to see what others in the region offer as far as scope and pricing.

Chair Geiger expressed concern that an RFI is truly not part of a procurement, since an RFI is a request for information; it is a request for interest. The RFI is just a list of canvassed interested vendors.

Administrative Deputy Orellana-Curtiss stated that LA-RICS does not need to do anything with information gathered from an RFI. She said it will serve as information that can help solidify a competitive baseline rate.

Committee member Song asked questions regarding the subscription rate scenario, in which there is an introductory and fixed subscription, both with options for repayment of the County loan. Is it a firm repayment or not? If the loan is not being called for a resolution, just eliminate the repayment scenario and simplify the options. If we could nail down whether we need to repay would help the subscription rate setting.

Chair Geiger stated it was not possible at this time. The instructions indicate not to include repayment in the rate setting, since it is not being called at this time. He said the Chief Executive Officer (CEO) and the County will revisit by the date set in the letter regarding the repayment since collection has not been confirmed or disregarded. As a matter of fiscal prudence, it is good to review and analyze the numbers and look into worst-case scenarios. Unfortunately, he believes that this is the maximum amount of certainty that can be provided for discussion at this point in time.

Commander Song said that he is part of the LMR market and prospective system user. Everyone wants to come for the lowest cost for maximum interoperability. It would simplify matters if agencies knew if they would need to repay or not.

Chair Geiger said expressed confidence these discussions would be more meaningful and forgivingness of the cash advance more likely a year or so down the line. He thinks the Committee has kept the numbers close with minimal fluctuation significantly either way. Chair Geiger stated he does not believe worst-case scenario of repayment of the loan resulting in a \$2/radio difference would not seem like a deal breaker. At this time, this is all that is known.

Committee Member Song viewed the scenarios as a consumer and expressed that like everyone else, he would like get the best rate. The issue of repayment one-way or another, needs to be solidified. Hanging in the balance may impact agencies being open to committing to the System in 18 months or two (2) years down the line. The uncertainty tied to repayment may impact interest by potential early subscribers.



Executive Director Edson stated it has always been LA-RICS concern as voiced to the CEO, If the repayment is on the table trusting the County might be an issue. Executive Director Edson stated he believes the Finance Committee Chair, who is a CEO Representative, will be able to provide guidance regardless of the outcome.

Chair Geiger was in agreement with a comment made regarding the concern of agencies wanting a rate guarantee in order to avoid an increase of rate later on, because the radio threshold was not met. In all likelihood, the County would be the one providing that guarantee.

Committee Member Ric Walczak stated that as one of those prospective subscribing agencies, he is hesitant to be part of a System that throughout time might slowly increase the rate. If the rate setting was certain a decision could easily be made.

Committee Member Doug Cline inquired as to radios caches. He recalled the previous model discussed with local government and cities treatment of cache radios. Committee Member Cline stated several departments have a significant amount of radio cache unused and wondered if agencies would be charged for those unused cache radios.

Administrative Deputy Orellana-Curtiss stated that was not discussed at Ad-Hoc and will be brought up for discussion at the next Ad-Hoc as well as Operations and Technical Committee meeting. Some agencies have a mass amount of cache radios and would require tracking whether or not they come on the System, call history, permutations, cache radios, active radios, back-up radios, etc. It was acknowledged there is no desire to create a disincentive for back-up radios that are inactive. Administrative Deputy Orellana-Curtiss stated she believes the 38,000 radios are accounted as active radios but will confirm with the Operations group.

Administrative Deputy Orellana-Curtiss stated January 16, 2019, is the Ad-Hoc Committee's next meeting. The next Finance Committee meeting is on January 17, 2019; an Ad-Hoc agenda may not be included in the next Finance Committee meeting Agenda posting. Instead, LA-RICS will have a verbal report presented to the Finance Committee regarding a timeline of onboarding, which is a significant concern of the Ad-Hoc Committee. She stated it is an item for discussion. She also reported, some optimistic Ad-Hoc Committee members asked what would happen with the funds if LA-RICS has an excess number of radios on the system resulting in revenue surplus. The Committee suggested LA-RICS should have a policy decision in place that addresses at the very least, how to address surplus.

Administrative Deputy Orellana-Curtiss stated LA-RICS staff alongside members of Technical and Operations teams are working on a draft service level agreement, also one of the items the Ad-Hoc Committee has taken task to present to your Committee



that would include the issue of terms and conditions addressing budget shortfalls and revenue surplus.

Chair Geiger commented it would make sense to postpone the next Finance Committee meeting to allow the Ad-Hoc to present something in writing, since meetings have been on the heels of each other. The Committee can review it and send it through to the Finance Committee the first weekend of February.

Committee Member Cline readdressed the LASD double billing issue. He commented LACoFD and LASD bill differently. Since Fire has twelve (12) cities they contract with; they are probably adding indirect costs, which may vary from LASD. Therefore, LACoFD is probably including indirect costs with radio costs and will look into it.

VIII. ADMINISTRATIVE MATTERS (None)

VIII. MISCELLANEOUS – (None)

IX. CLOSED SESSION REPORT – (None)

The Committee did not enter into Closed Session.

X. ITEMS FOR FUTURE DISCUSSION AND/OR ACTION BY THE COMMITTEE

XI. ADJOURNMENT and NEXT MEETING:

The Finance Committee meeting adjourned at 2:26 p.m. The next meeting is a Special Meeting on Thursday, January 24, 2019, at 1:30 p.m., at the LA-RICS Headquarters, 2525 Corporate Place, Large Conference Room, Monterey Park, CA 91754.



FINANCE COMMITTEE SPECIAL MEETING MINUTES

**LOS ANGELES REGIONAL
INTEROPERABLE COMMUNICATIONS SYSTEM AUTHORITY**

Thursday, January 24, 2019 • 1:30 p.m.
Los Angeles Regional Interoperable Communications System
Headquarters
Large Conference Room
2525 Corporate Place, Suite 200, Monterey Park, CA 91754

Finance Committee Members Present:

John Geiger, County of Los Angeles Chief Executive Office
Bill Song, County of Los Angeles Sheriff's Dept.
Karolyn (Kay) Fruhwirth, County of Los Angeles Department of Health Services
Rebekka Hosken, California Contract Cities Association
Marie DiBernardo, City of Inglewood Police Department

Alternates For Finance Committee Members Present:

Ric Walczak, City of Covina Police Department
Leticia Rivera, County of Los Angeles LACoFD
Nick Davenport, City of Signal Hill Police Department

Officers Present:

Beatriz Cojulun, Committee Secretary

Absent:

John Curley, City of Covina Police Department
Ron Sagmit, City of Signal Hill Police Department



NOTE: ACTION MAY BE TAKEN ON ANY ITEM IDENTIFIED ON THE AGENDA

I. CALL TO ORDER

Chair John Geiger called the Regular Meeting of the Finance Committee to order at 1:34 p.m.

II. ANNOUNCE QUORUM – Roll Call

Committee Secretary, Beatriz Cojulun performed a roll call and acknowledged the presence of quorum.

III. APPROVAL OF MINUTES (A)

A. October 25, 2018 – Regular Meeting Minutes

Committee Member Karolyn (Kay) Fruhwirth motioned first to approve the meeting minutes, seconded by Committee Member Rebekka Hosken.

Ayes 6: Geiger, Song, Hosken, Davenport, Walczak, and DiBernardo.

MOTION APPROVED.

IV. PUBLIC COMMENTS – (None)

V. CONSENT CALENDAR – (None)

VI. REPORTS (B-C)

B. LONG TERM EVOLUTION (LTE) UPDATE – Jacobs Project Director, Christopher Odenthal

Jacobs Project Director, Christopher Odenthal shared an update from the Board of Directors meeting earlier that day, the LA-RICS Authority approved the Motorola Solutions, Inc. (Motorola) PSBN LA-RICS 008 Amendment No. 35, for the construction and implementation of nine (9) co-location sites, particularly in the Angeles National Forest. He stated the amendment also included the cost of all of the equipment at the remaining 17 sites, bringing the total number of deployed sites to 26 at a cost of approximately \$6 million dollars, in accordance with the AT&T, Inc. (AT&T) Agreement. The Authority is currently in the process of preparing all of the construction drawings for those 26 locations. The Authority will bid-out the construction work for the remaining 17 sites Motorola will not be constructing; instead, the Authority will procure those services via the County of Los Angeles (County)



Department of Public Works (DPW) providing local vendors the opportunity to bid for the construction of those sites.

Project Director Odenthal commented on the current shutdown of the U.S. Government and its impacts on the project. The PSBN agreement is governed and overseen by the National Telecommunication and Information Administration (NTIA) and the National Oceanic and Atmospheric Administration (NOAA), both which are affected by the shutdown. He also informed the Committee due to the government shutdown access to funding is not available at this time which is impacting the Authority's ability to issue Notices to Proceed (NTP's) for work at sites.

Counsel to the Authority, Truc L. Moore stated environmental approvals are still proceeding forward. Project Director Odenthal concurred with Counsel and stated final approval comes from NTIA, which is not affected by the shutdown. He further stated the environmental review of LA-RICS Supplemental Environmental Assessment Number No. Three is currently with the FirstNet environmental team. The final sign off and approval of a Finding of No Significant Impact (FONSI) will remain with NTIA, until the government re-opens. Until then, LA-RICS will not have final approval to move forward.

There were no questions at the conclusion of the report.

C. LAND MOBILE RADIO (LMR) UPDATE – Jacobs Project Director, Christopher Odenthal

Project Director Odenthal stated from a financial perspective, the Land Mobile Radio (LMR) project is progressing. Mr. Odenthal informed the Committee the Urban Area Security Initiative (UASI) 2016 grant is slated to close on March 31, 2019. He went on to state that UASI '16 spending plan is on target with funding expended. Project Director Odenthal stated despite some movement within the spending plan, there is plenty of activity from both a construction and management perspective to comply with grant spend requirements. He also informed the Committee the grant administrator, California Governor's Office of Emergency Services (CalOES) and the City of Los Angeles, have been briefed and understand all of the steps taken in order to secure the spending of UASI '16. With respect to the UASI '17 grant, sites contemplated in the spend plan are currently being built. LA-RICS expects UASI '18 funds to be released in the near future.

There were no questions at the conclusion of the report.



VII. DISCUSSION ITEMS – (D)

D. Finance Ad-Hoc Committee Reporting

Chair Geiger asked if there were Ad-Hoc members present. He acknowledged Committee Member Rebekka Hosken and Committee Member Leticia Rivera as Ad-Hoc representatives.

Chair Geiger indicated to the Committee that he appreciates the somewhat circular position the Ad-Hoc is in. He assumes the Ad-Hoc will not be able to provide a report due the pending information in order to provide a rate setting. Chair Geiger went on to inform the Committee that he is aware that there are only a few known factors, such as who the current system users are, but not whom the universe of potential users may be, which would allow for lower costs.

Ad-Hoc Committee Member Rebekka Hosken commented that with the assessments that Administrative Deputy Susy Orellana-Curtiss has provided to the Committee, there is a range established given the known information.

Chair Geiger believes the Ad-Hoc is in a better place to provide a report and recommendations to the Finance Committee. Chair Geiger recommended a few categories to include in the report for consideration:

- Should LA-RICS provide radios to members and non-members for trial, in an effort to test the system?
- Once LA-RICS is up for use, will agency members or non-member agencies be allowed. Keeping in mind the original purpose of LA-RICS was for a region-wide interoperable system in case of a region-wide emergency, then members and non-members should participate.
- The Ad-Hoc should bring forward any other financial elements of technical or operational use that need to be addressed.

Chair Geiger mentioned his only question was timing, and would like Ad-Hoc to work with the LA-RICS staff to schedule a meeting date and time in order to work on written recommendations, a one or two page synopsis/report of where LA-RICS needs to go from this point forward, based on the study and discussions received by the Ad-Hoc.

Ad Hoc Committee Member Hosken concurred that a meeting needs to be scheduled, since the Ad-Hoc is close to providing the recommendation / report.

Chair Geiger asked for the Regular Finance Committee meeting scheduled on Thursday, February 21, 2019, be moved up one week sooner on Thursday, February



14, 2019 to allow time to review the Ad-Hoc Committee Report for inclusion in the March Board of Director's meeting.

Committee Member Karolyn (Kay) Fruhwirth motioned first to approve the change of the meeting date, seconded by Committee Member Rebekka Hosken.

Ayes 6: Geiger, Song, Hosken, Davenport, Walczak, and DiBernardo.

MOTION APPROVED.

VIII. ADMINISTRATIVE MATTERS (None)

VIII. MISCELLANEOUS – (None)

IX. CLOSED SESSION REPORT – (None)

The Committee did not enter into Closed Session.

X. ITEMS FOR FUTURE DISCUSSION AND/OR ACTION BY THE COMMITTEE

XI. ADJOURNMENT and NEXT MEETING:

The Finance Committee meeting adjourned at 1:50 p.m. The next meeting is a Special Meeting on Thursday, February 14, 2019, at 1:30 p.m., at the LA-RICS Headquarters, 2525 Corporate Place, Large Conference Room, Monterey Park, CA 91754.