



## **East Bay Regional Communications System Authority**



Participating agencies include Alameda and Contra Costa Counties and the following cities and special districts: Alameda, Albany, Antioch, Berkeley, Brentwood, Clayton, Concord, Danville, Dublin, El Cerrito, Emeryville, Fremont, Hayward, Hercules, Lafayette, Livermore, Martinez, Moraga, Newark, Oakley, Pinole, Pittsburg, Pleasant Hill, Pleasanton, Richmond, San Leandro, San Pablo, San Ramon, Union City, Walnut Creek, East Bay Regional Park District, Kensington Police Community Services District, Livermore Amador Valley Transit Authority, Moraga-Orinda Fire District, Rodeo-Hercules Fire District, San Ramon Valley Fire District, California Department of Transportation, Ohlone Community College District, Contra Costa Community College District, Dublin-San Ramon Services District and University of California, Berkeley

### **FINANCE COMMITTEE MEETING**

#### **NOTICE OF REGULAR MEETING**

**DATE: April 5, 2019**

**TIME:** 11:00 a.m.

**PLACE:** Alameda County Office of Homeland Security and Emergency Services,  
Room 1013  
4985 Broder Blvd., Dublin, CA 94568

#### **MINUTES**

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**1. Call to Order/Roll Call: 11:03 a.m.**

Committee Members Present:

M. Casten, Undersheriff, Contra Costa County Sheriff's Office  
T. Acosta, City Manager, Union City  
J. Calabrigo, Town Manager, Town of Danville  
T. Dupuis, Chief Information Officer, Alameda County  
S. Perkins, Councilmember, City of San Ramon  
C. Silva, Councilmember,  
D. Twa, County Administrator, Contra Costa County

Staff:

T. McCarthy, Executive Director  
C. Boyer, Assistant Controller, Alameda County  
C. Soto, Administrative Assistant

Public:

G. Poole, Motorola

**2. Public Comments (Meeting Open to the Public): None.**

**3. Approval of Minutes of the February 22, 2019, Finance Committee Meeting**

On motion of D. Twa, seconded by S. Perkins and by unanimous vote, the Finance Committee approved the minutes of the February 22, 2019 Finance Committee meeting.

**4. Renewal of Agreement with Motorola for Four Years of Monitoring, Intrusion Detection, Technical Support, Preventive Maintenance and Infrastructure Response for Master Site**

Director McCarthy introduced Craig Boyer, Assistant Controller, Alameda County as the new auditor for the Authority.

Director McCarthy presented the Staff Report and advised that this agreement would provide 24-hour, 7-days-a-week, 365-days-a-year coverage and monitoring for the core of the System. The proposed agreement was for four years to line up with the Authority's SUA agreement with Motorola. Some of the associated cost increases with the agreement were because of the addition of new agencies' equipment. The first year of that equipment was covered by warranty, now they were included in the total. This also includes cyber security for some 170 computers that were all possible points of unlawful entry into the System. This agreement included security patches and updates that will now be downloaded by Motorola to all the appropriate equipment. This also brought in Motorola on preventative maintenance on the System's six prime sites which link into the Master Site. Motorola proposed a 7.5% cost increase to this agreement starting in year one, and spanning over the four years of the agreement.

Bm. Calabrigo asked why the increase was not phased in over the four years. How much of the increase was an increase in services and how much was for added service? Why could they not look at something that was phased in over four years, versus an immediate 7.5% increase?

Bm. Silva stated the cost of living and the CPI, nationally, were not 7.5%.

11:14 a.m. Bm. Haggerty arrived.

Bm. Silva stated that the Authority should be concerned about proposed AB1332. It was a divestiture that said everyone across the State, including CalPERS, must divest itself of any investment or equipment or ownership of any product that also sells to Homeland Security. Motorola, as well as Microsoft, sold to Homeland Security. If the Authority were to go to another company, they would have to rebuild the System. They needed to get Public Safety involved. This was a serious issue that needed to be discussed because Motorola was the Authority's single source provider.

Director McCarthy asked if the Committee wanted him to go back to Motorola to renegotiate the agreement.

Bm. Calabrigo stated one suggestion was if they were discussing 7.5% by the fourth year, it could be an increase of 1.25% a year, for the four years.

Director McCarthy stated the previous quote was a 5% increase per year.

Bm. Perkins stated the Authority's income did not change unless they did a rate change. If there was a mechanism that raised the Authority's income by 1 or 2% every year, so that the income changed with the expenses, he could see doing that.

By consensus, the Board of Directors instructed Director McCarthy to continue discussions with Motorola to negotiate a contract with a 3-1/2% to 4% increase in the first year, and smaller increases, such as 1%, for the following three years.

#### **5. Renewal of Annual Service Agreement with Motorola for System Manager**

Director McCarthy presented the Staff Report and advised that this agreement's increase was close to 10% for one year, and included COLA increases for Motorola staff that were assigned to the System. This included the person that attended all the System's TAC meetings and oversaw issues such as Antioch's site, somewhat of a project manager. There was also the person that takes care of the Master Site, a specialist. The other person was the 24-hour answering point in Schaumburg, IL, dispatch services.

Boardmembers and Executive Director discussed the rate increase and the possibility of the term of the agreement being tied to the same timeline as the SUA. This had been a year-to-year agreement. They agreed to ask for a four-year agreement to tie in with the timing and negotiation of the previously discussed contract.

The Boardmembers directed Director McCarthy to return to negotiations with Motorola to discuss a lower level of increase, because of the same concerns as the previous item. They suggested that it also be a four-year contract.

G. Poole, Motorola representative, provided public comment on this item.

#### **6. Budget Review FY 2019/2020**

Director McCarthy presented the Staff Report and advised that Craig Boyer would present the FY 2019/20 budget.

Mr. Boyer stated on the revenue side there was a \$2 increase per radio, per month in operating payments that was approved by the Board, that would increase revenues by approximately \$500,000 for the year; being offset against the loss of CalTrans contributing service payments by approximately \$110,000 per year. On the expense side, the most significant changes were the Motorola agreements just discussed. This made up the increases on the expenditure side. The only other increase was for anticipated increase in costs of PG&E utilities. Other than those items, the numbers were fairly consistent with this fiscal year's budget.

Bm. Perkins asked, in reference to the Ten-Year Cash Flow Projection, there were a number of increases in the out years, what was the basis for the increases in operating payments?

Mr. Boyer stated they applied an assumption of a 3% increase per year.

Bm. Perkins stated that would require an increase in rates as that was income. That was significant as the Authority had only had one increase. He was not sure it was a good assumption.

Director McCarthy stated there would be a second increase July 1, 2019. There was also the capital replacement plan needed that would change the entire Ten-Year Cash Flow Projection.

Bm. Perkins asked about the budget for generators which was increased for major maintenance every three years. Why was it not shown in the budget? The number on the generator line needed to be increased.

Director McCarthy stated, as requested, he had an RFP ready to go out for generators and it would include maintenance, so the numbers may change again.

Bm. Perkins asked if in regard to the debt service reserve, did the service payments expire in June 2027? Would that still be collected after the debt was paid?

Director McCarthy stated it was different than the operating payment and that would be a Board decision. It would need to be removed from the last two years on the Ten-Year Cash Flow Projection.

Bm. Silva stated they had always been looking at cashflow. It was time to look at the long-term forecast and the capital replacement plan.

Mr. Boyer stated they could consolidate some of the operating expenses and show it as one line item.

Bm. Perkins stated he would show zero increase in operating payments unless the Authority had authorized future increases, or there was a policy of "X" percent per year.

On motion of Bm. Silva, seconded by Bm. Perkins and by unanimous vote, the Finance Committee approved for recommendation to the full Board, the Resolution Adopting an Administrative Budget for Fiscal Year 2019/2020, pending updated numbers in the maintenance line item per the two service agreements that were continuing to be negotiated with Motorola.

## **7. Update on Capitol Replacement Report**

Director McCarthy presented the Staff Report and advised it was very difficult to find vendors to respond to the request for a Capitol Replacement Report. He had received one response from Mark Lavonte and Kim Allen and was waiting for a second response.

Bm. Perkins asked was the work to identify all the capital equipment pieces, apply an aging to each, and a potential replacement cost.

Director McCarthy responded yes, and it would also include future technology, as it was what drove much of the cost. The System was very current with technology, but what was needed was to determine what the Authority owned, what each member agency owned and what was the life span on the equipment owned by the Authority.

## 8. Agenda Items for Next Meeting

Director McCarthy stated at the next meeting he would be discussing the microwave.

Bm. Silva asked for the baseline forecast with known assumptions.

Bm. Perkins asked for an update on the TDMA installation.


Director McCarthy stated all the equipment had been installed and tested. The information was being shared with CSI, and CSI was signing non-disclosure agreements this week. Alameda County was at 12% of having all radios replaced/upgraded; Contra Costa County was getting it done. Alameda County upgrades would go up to the June 2020 deadline. He would be speaking to the Alameda County Police Chiefs on June 6 to give them a reminder about timeline, and would speak to other member agencies in the future.

Bm. Perkins asked that TDMA Upgrade status be an item on the Agenda every meeting until June 2020.

Bm. Acosta announced he would retire in June 2019. The Alameda County City Manager's Association would select a new Boardmember.

## 9. Adjournment:

With no further business coming before the Finance Committee, the meeting was adjourned at 11:59 a.m.

  
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Caroline P. Soto  
Authority Secretary