



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

OPERATIONS COMMITTEE MEETING

REGULAR MEETING

DATE: April 19, 2024

TIME: 10:00 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:** A regular meeting of the Operations Committee was held on Friday, April 19, 2024. The meeting was called to order at 10:01 a.m.

Committee Members Present:

A. Love, Chief, Oakland Housing Authority Police
J. Beltran, Assistant Sheriff, Contra Costa County Office of the Sheriff
R. Filice, Chief, East Bay Regional Parks Police Department
J. King, Chief, Moraga Police Department
M. Nichelini, Deputy Chief, Oakland Fire Department
Y. Sanchez, Sheriff, Alameda County Sheriff's Office

Staff:

T. McCarthy, Executive Director
D. Swing
C. Boyer, Auditor
C. Soto, Administrative Assistant

- 2. Public Comments:** None.
- 3. Approval of Minutes of February 16, 2024**

On motion of Bm. J. King, seconded by Bm. Filice and by unanimous vote, the Operations Committee approved the minutes of the February 16, 2024 Operations Committee meeting, with revisions to page 4 of 5, regarding item: Central Cell Outage February 5, 2024.

- 4. FY 24/25 EBRCSA Budget**

C. Boyer, Auditor stated he had provided a cover page of budget highlights; the first page of the schedules summarized version of revenues and expenses that are budgeted for

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24/25. It was fairly consistent with FY 23/24. The radio counts and the dues that are being paid remain consistent with the prior year. Revenues were increased due to more favorable interest rates. Expenses were fairly consistent with last year. They are budgeting for a net loss of approximately \$2.7 million. The majority of this is coming from the Walton Lane project which is a one-time cost. Even when you back that out, the bottom line is based on what they are currently budgeting. There is currently a structural deficit with more expenses outflowing cash than revenues, inflowing cash. On the next page, there is a more detailed version of the expenditures. There is first the FY 23/24 budget, then in the column to the right of that they project where they think they are going to end with actual expenditures for FY 23/24. To the right is the budget for FY 24/25. This gives a more detailed breakdown of expenditures. The most notable items to mention are that in FY 23/24, they budgeted for the CIP as a separate line item called "Planning". That budget has been moved down to the CSI Telecommunications budget line item. Most of the other changes are being driven by contractual costs with Motorola and the renegotiation of the Aviat agreement. On the next page, it shows the Authority's different reserve balances. The Authority has three different types of reserves, the first being the operating reserves. This reserve is set at 50% of expenses; the second reserve balance is the debt reserve balance which is always budgeted at \$1 million; and the third reserve is the capital reserve that is whatever remaining reserve funds remaining after budgeting for the first two reserves, is allocated to the capital reserve. If you look at the second column projected for FY 23/24, they are projecting a total reserve balance of approximately \$15 million of which \$12 million is capital reserve. When you compare that to the FY 24/25 budget, you can see that the total reserve balance will be \$12 million, with approximately \$9 million capital reserve. That structural balance mentioned on the first schedule, this is how it is impacting things in terms of where the reserve balances are trending.

Bm. Sanchez joined the meeting at 10:08 a.m.

Mr. Boyer stated the next three pages were cash flow schedules. The first shows a ten-year cash flow projection based on the current budget and then they project out over ten years. There are two other scenarios presented to represent if they instituted an annualized dues increase, how that would affect the cash flow projections. The second one is a 3% annual increase, and the next is a 5% annual increase. They have always taken an approach with capital expenditures to project only capital expenditures that they know about. With the level of capital expenditures they know about now, if it continues for about the next five years and then it drops off it is because they do not know about any significant capital expenditures after that. If it is accurate, then that is an accurate projection. If there are items they are not anticipating, then it may be more optimistic than it would otherwise. Currently, they are starting off with reserves of \$15 million, if you look ten years out, they end with about \$15 million. If you look at total reserves about half way through the schedule, they drop as low as \$9.7 million. The schedule with the 3% increases in rate, you start with the \$15 million, and if you go about halfway through the projection, you drop as low as about \$11.7 million but then trend back up to about \$25 million; with a 3% increase over 10 years, you would create an additional \$10 million in reserves. With a 5% fee increase, you start at \$15 million in total reserves, drop as low as about \$13 million and then trend back up to about \$35 million. So, with a 5% annualized increase you are banking an additional \$20 million reserves.

Bm. Nichelini joined the meeting at 10:10 am.

Executive Director McCarthy stated it is hard to know where technology is going. The original service upgrade agreement with Motorola was for 10 years. The Authority and Motorola agree that 10 years was too long. That was a major conversation as to how far out could they predict technology changes. Six years was what was comfortable. The numbers here were they best they could do with what they knew. They have tied the Aviat and Motorola contract to six years. They will be checking every year going forward. It will be critical to look at the budget the next few years. The microwave/MPLS upgrade had to be completed because they could no longer do the SUA upgrades with that technology. These big projects were costly.

Bm. King stated in regard to the Capital replacement budget, and there is a decent balance and looking to grow it – they just installed a new microwave system that probably has a usable life of 20-years, that pushes the need to replace that section of capital equipment off 20 years. The Motorola contract pays for complete updates of equipment including dispatch consoles during the course of the six-year contract.

Executive Director McCarthy stated for the duration of the six years, every two years, the SUA will happen. That money is being invested back into the system. The SUA maintains the technology, the master site, the prime sites, the dispatch consoles. It is an on-going update every two years.

Bm. King stated that much of the \$72 million required to replace the system, much of that is already being done incrementally, such as the microwave system through the Motorola contract, some is being done with Motorola upgrades and updates.

Executive Director McCarthy stated the hard part is that EBRCSA owns some shelters. They do not own all shelters. BART owns its three shelters; Contra Costa County owns many of its shelters; Alameda County owns some of its shelters. He has lease agreement on Patterson Pass for a shelter and a few with EBMUD. EBRCSA may have to add in six more shelters for future sites.

Bm. King asked if Walton Lane would be going forward.

Executive Director McCarthy stated he has been speaking to the tower company at Walton Lane to see if they can come to some kind of understanding.

On motion of Bm. King, seconded by Bm. Filice and by unanimous vote, the Operations Committee agreed to recommend to full Board of Directors approval of the FY 24/25 budget, as discussed.

5. EBRCSA Rate Increase Discussion

Mr. Swing stated EBRCSA has not raised subscriber fees since December 2017. The budget presented shows a structural deficit. EBRCSA is not done with its CIP replacement project and CSI is working on it and intends to have it completed by December of 2024 so the Board can bring back a recommendation for a longer-term budget solution. In the meantime, EBRCSA can look at a one-time increase as a short-term solution to rectify the current deficit. The debt service would bring in about \$1.5 million a year, paying down debt service by \$650,000 and the balance goes to the capital reserve, \$1 million. The balance of the capital is going to the capital reserve from debt service payment that will expire in 26/27. Further justifying a need for a rate

increase today. A 3% increase would equal \$1 per subscriber unit to generate about \$252,000 annually. The other option is a 5% increase that will generate \$376,000 annually which would translate to about \$5 a month per subscriber unit. A one-time increase is recommended, with discussion of possibly more increases later.

The Operations Committee discussed scenarios that increased the radio fees anywhere from \$1 per month per unit to \$5 per month per unit. Also, they discussed recommending set increases in coming years for agencies to be able to budget for the future. Some agencies were in arrears in payments and collecting those monies would also help with the deficit.

On motion of Bm. King, seconded by Bm. Nichelini and by majority vote (Bm. Love voting no), the Operations committee agreed to recommend to the full Board the adoption of rate increase of \$1 per-radio, per month effective July 1, 2024, an additional increase of \$1 per-radio, per-month effective July 1, 2026, and an increase of \$1 per-radio, per-month effective 2028.

6. Redwood Public Law Contract

Executive Director McCarthy stated Meyers Nave, the Authority's Law firm had split with some attorneys going to Redwood Public Law. This item was to decide if the Authority would continue with Meyers Nave or move to Redwood Public Law as EBRCSA's attorney.

On motion of Bm. King, seconded by Bm. Filice and my majority vote (Bm. Sanchez absent), the Operations Committee agreed to recommend to the full Board the approval of the contract to engage Redwood Public Law as EBRCSA's attorney.

7. CSI Telecommunications Contract

Executive Director McCarthy stated radio engineers were difficult to find and CSI was previously contracted by EBRCSA. Their services are excellent and varied. They review the Motorola proposals and have the knowledge. They have been active with the Wiedemann site. They also deal with the FCC on behalf of the Authority. There are associated costs with FCC licenses and frequencies and are paid through money budgeted with this contract. CSI is also doing CIP work and was budgeted in last year's and this year's contract.

On motion of Bm. King, seconded by Bm. Nichelini, and by unanimous vote, the Operations Committee agreed to recommend to the full Board, the approval of the contract between EBRCSA and CSI Telecommunications.

8. Motorola Maintenance Agreement

Executive Director McCarthy stated this agreement was for networking support, which had recently changed. There used to be a technician on site, part-time and another that was on call 24/7. Motorola has changed that and now has integrated services. The master site is covered by the SUA, but it does not cover things like a blown fuse or security patches, etc. This agreement is what pays for those items. This is short-term agreement for \$96,000.

On motion of Bm. King, seconded by Bm. Nichelini and by unanimous vote, the Operations Committee agreed to recommend to the full Board the renewal of the Services Agreement with Motorola Solutions Inc. to continue System support and training for the East Bay Regional Communications System Authority (EBRCSA) System for the period of July 1, 2023, through June 30, 2024; and the amendment of EBRCSA's new attorney's name on the contract.

9. Radio Interoperability EBRCSA MOU

Executive Director McCarthy stated this allows for agencies to share talk groups when offering mutual aid amongst Fremont, Milpitas, Menlo Park and Milpitas. They currently share talk groups but this makes it official.

On motion of Bm. King, seconded Bm. Nichelini and by unanimous vote, the Operations Committee agreed to recommend to the full Board approval of the Interoperability MOU amongst EBRCSA, SVRIA, Fremont, Menlo Park, and Milpitas, allowing minor changes by the Executive Director regarding radio numbers.

Items below will be discussed at the May 3, 2024 Board meeting.

10. Updates on East Bay Regional Communications System Authority Projects

- Encryption
- Microwave/Ethernet/MPLS Project Update
- Cyber Security Active Eye Update
- SUA Update
- The City of Antioch Site on Walton Lane
- Wiedemann Project San Ramon

11. Agenda Items for Next Meeting

- Contra Costa County MOU

12. **Adjournment:** With no further business coming before the Operations Committee, the meeting was adjourned at 10:54 a.m.