

NGEN Executive Board

NGEN Executive Board Action Item 24-002

Date: February 22, 2024

Presented by: Thomas Montoya

On behalf of: County of Monterey ITD

Action:

1. Approve and recommend the Monterey County Board of Supervisors approve the 5-year NGEN Capital Fee and CIP Plan with a total cost of \$4.81M maintaining \$850,981 annual Capital Fee collection commencing FY 24-25 through FY 28-29;
2. Approve and authorize the Department of Emergency Communications Department to bill the NGEN Capital Fee \$850,981 for FY 24-25 using the February 2024 Radio True-Up as a one-time lump sum invoice;

Summary/Discussion:

NGEN maintains one Capital Fund (Fund 405) as part of its operational and long-term fiscal plan. However, there has been no recurring collection into the Capital Fund since the inception of the NGEN project more than ten years ago. A debt service collection to pay off the loan to fund the buildout of the system has been charged annually with the final debt service collection ending in FY2023-24.

Monterey County IT identified several projects necessary to enhance and maintain operability, system coverage, system capacity, and standardization. The NGEN Operations Board (Ops Board) approved Action Item 23-002 on October 16, 2023, and recommended the NGEN Executive Board (Exec Board) approve a recurring NGEN Capital Fee of \$850,981 starting FY 24-25. This amount matched the current NGEN debt service collection fee, due to end FY 23-24, used to pay off the loan which funded the original buildout of the system. The Exec Board took no action on the subsequent Exec Board Action Item 23-005 on December 14, 2023, where it was tabled until the next meeting for further discussion. The Exec Board requested the Ops Board to prioritize and provide costs projections for recommended projects over the next 10-year period.

County IT returned to the Ops Board on January 18, 2024, with procurement alternatives, prioritization, and project sequencing which list projects in order from highest priority starting at the top (**Exhibit A**). The cost projections include potential escalators such as inflation and interest where applicable. The Ops Board made the motion to recommend to the Exec Board to continue paying \$850,981 for FY24-25 so the Boards had time to evaluate the 10-year plan. The Ops Board recommended the fee not be reduced, recommended that a reserve / surplus should be established, and that the Exec Board provide some direction on how much they are willing to fund. During the January 25, 2024, the Exec Board provided direction and requested the Ops Board try to build a 5-year plan maintaining the \$850,981 annual collection. The Exec Board recommended that the CIP Plan be reviewed on an annual basis.

On February 15, 2024, the Ops Board approved the 5-year NGEN Capital Fee and CIP plan (**Exhibit B**) based on the schedule of projects and their projected cost estimates with the understanding that actual proposals and costs could come in lower than projected making the potential deficit noted obsolete. The plan shall be revisited, evaluated, and approved on an annual basis with a 5-year outlook providing time for the Boards to make adjustments as needed for future years. Each project shall be submitted for review and approval by the Ops and Exec Boards prior to commencement on an annual basis as needed. The NGEN L3Harris Core Upgrade and NGEN Analog Overlay are proposed as year 1 projects; thus, would require approval to commence in subsequent Ops and Exec Board meetings.

NGEN Capital Fees will be charged the same as the previous Debt Services Collection and based on agency’s proportion of total system radios using a Radio-True Up with a Fire Radio weighting of 75% which is consistent with the billing formula in the NGEN Services Agreement. This action item proposes to utilize a new February 2024 Radio True-Up (**Exhibit C**) based on recent inventory collected by Monterey County IT in December 2023.

Staff Recommendation:

County staff recommends an annual NGEN Capital Fee in the amount of \$850,981 be collected annually for 5-years to support the implementation of the 5-Year CIP Plan starting FY 2024-25.

Fiscal Impact:

Funding the NGEN Capital Fund (Fund 405) will benefit NGEN fiscal health and make the system more sustainable.

Effect(s) of Failure to Approve Request and/or caveats:

NGEN system is aged, and some parts of the system already reached end of life and end of support and need to be upgraded or replaced. In addition, NGEN system has coverage issues in certain areas that must be addressed. Capital fund must be set up to sustain the system so that first responders do not suffer from unplanned systems outages or poor radio coverage.

Executive Board Action

Modification to requested action: Yes ___ No X

Vote Date 02/22/2024

Motion by Tina Nieto 2nd Sonia De La Rosa Approved: Yeas X Nays ___

DocuSigned by:
David Sargenti
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David Sargenti, Chair

Yeas: 7

Nays: 0


Exhibit A

Project	Estimated Additional Annual O&M Fee	Timeline	Present Value Capital Costs	¹ Projected Capital Costs 5-Year Plan
NGEN L3Harris Core Upgrade CIP	N/A	FY 24-25 Year 1	\$ 1,832,000	\$ 2,127,618
NGEN Analog Overlay Upgrade CIP	N/A	FY 24-25 thru FY 25-26 Years 1 and 2	\$ 1,000,000	\$ 1,000,000
Post Ranch Site Development CIP	Site Lease TBD	FY 26-27 Year 3 - Pending Lease	\$ 285,000	\$ 285,000
Motorola SmartConnect CIP Cloud Hosted Option	\$ 100,000	FY 27-28 Year 4	\$ 1,192,000	\$ 1,300,000
NGEN Coverage Assessment (System Expansion)	N/A	FY 28-29 Year 5	\$ 100,000	\$ 100,000
¹ Projected Costs Totals			\$ 4,409,000	\$ 4,812,618
Total Accrued Interest /Inflation <i>(Included in Costs Total Above)</i>				\$ 403,618
¹ Projected costs are based on present value capital costs and include financing interest and/or escalators due to inflation for future year projects where applicable.				

Exhibit B

Year No.	Fiscal Year	FY Total Funding	FY Total Cost	Running Balance	Notes
1	FY 24-25	\$ 1,150,981	\$(1,025,524)	\$ 125,457	*100% Complete Core Upgrade *60% Progress Analog Upgrade
2	FY 25-26	\$ 850,981	\$ (825,524)	\$ 150,915	*100% Complete Analog Upgrade
3	FY 26-27	\$ 850,981	\$ (710,524)	\$ 291,372	*100% Complete Post Ranch
4	FY 27-28	\$ 850,981	\$(1,075,524)	\$ 66,830	*100% Complete SmartConnect
5	FY 28-29	\$ 850,981	\$(1,175,524)	\$ (257,713)	*100% Cmpltd Coverage Assessment FUNDING DEFICIT
6	FY 29-30				
7	FY 30-31				
8	FY 31-32				
9	FY 32-33				
10	FY 33-34				
Projected Grand Total		\$ 4,554,905	\$(4,812,618)		

FY Total Funding	FY Total Cost	Running Balance
\$ 1,150,981	\$(1,025,524)	\$ 125,457
\$ 850,981	\$ (825,524)	\$ 150,915
\$ 850,981	\$ (710,524)	\$ 291,372
\$ 850,981	\$(1,075,524)	\$ 66,830
\$ 850,981	\$(1,175,524)	\$ (257,713)
\$ 850,981	\$ -	\$ 593,268
\$ 5,405,886	\$(4,812,618)	

Next 5-year Cycle  includes FY29-30.
To be reviewed for approval next fiscal year. No projects currently planned. (Shown for reference only)

NOTE: Year 1 includes an existing \$300k surplus in the FY Total Funding line

FUNDING					COSTS						YEAR END BALANCE	
Year No.	Fiscal Year	Capital Fee Funding	Surplus Funding	FY Total Funding	L3Harris Core Upgrade Cost	Motorola SmartConnect Cost	Analog Overlay Cost	Post Ranch Cost	System Coverage Assessment Cost	FY Total Cost	Running Balance	Notes
1	FY 24-25	\$ 850,981	\$ 300,000	\$ 1,150,981	\$ (425,524)		\$ (600,000)			\$ (1,025,524)	\$ 125,457	*100% Complete Core Upgrade *60% Progress Analog Upgrade
2	FY 25-26	\$ 850,981		\$ 850,981	\$ (425,524)		\$ (400,000)			\$ (825,524)	\$ 150,915	*100% Complete Analog Upgrade
3	FY 26-27	\$ 850,981		\$ 850,981	\$ (425,524)			\$ (285,000)		\$ (710,524)	\$ 291,372	*100% Complete Post Ranch
4	FY 27-28	\$ 850,981		\$ 850,981	\$ (425,524)	\$ (650,000)				\$ (1,075,524)	\$ 66,830	*100% Complete SmartConnect
5	FY 28-29	\$ 850,981		\$ 850,981	\$ (425,524)	\$ (650,000)			\$ (100,000)	\$ (1,175,524)	\$ (257,713)	*100% Cmpltd Coverage Assessment FUNDING DEFICIT
6	FY 29-30											
7	FY 30-31											
8	FY 31-32											
9	FY 32-33											
10	FY 33-34											
Projected Grand Total		\$ 4,254,905	\$ 300,000	\$ 4,554,905	\$ (2,127,618)	\$ (1,300,000)	\$ (1,000,000)	\$ (285,000)	\$ (100,000)	\$ (4,812,618)		

¹ Projected Cost	\$ 2,127,618	\$ 1,300,000	\$ 1,000,000	\$ 285,000	\$ 100,000	\$ 4,812,618
Present Value Cost	\$ 1,832,000	\$ 1,192,000	\$ 1,000,000	\$ 285,000	\$ 100,000	\$ 4,409,000
Interest / Inflation Accrued	\$ 295,618	\$ 108,000	\$ -	\$ -	\$ -	\$ 403,618

NGEN CIP BUDGET-EXPENSE PROJECTIONS FY24-25 - FY33-34

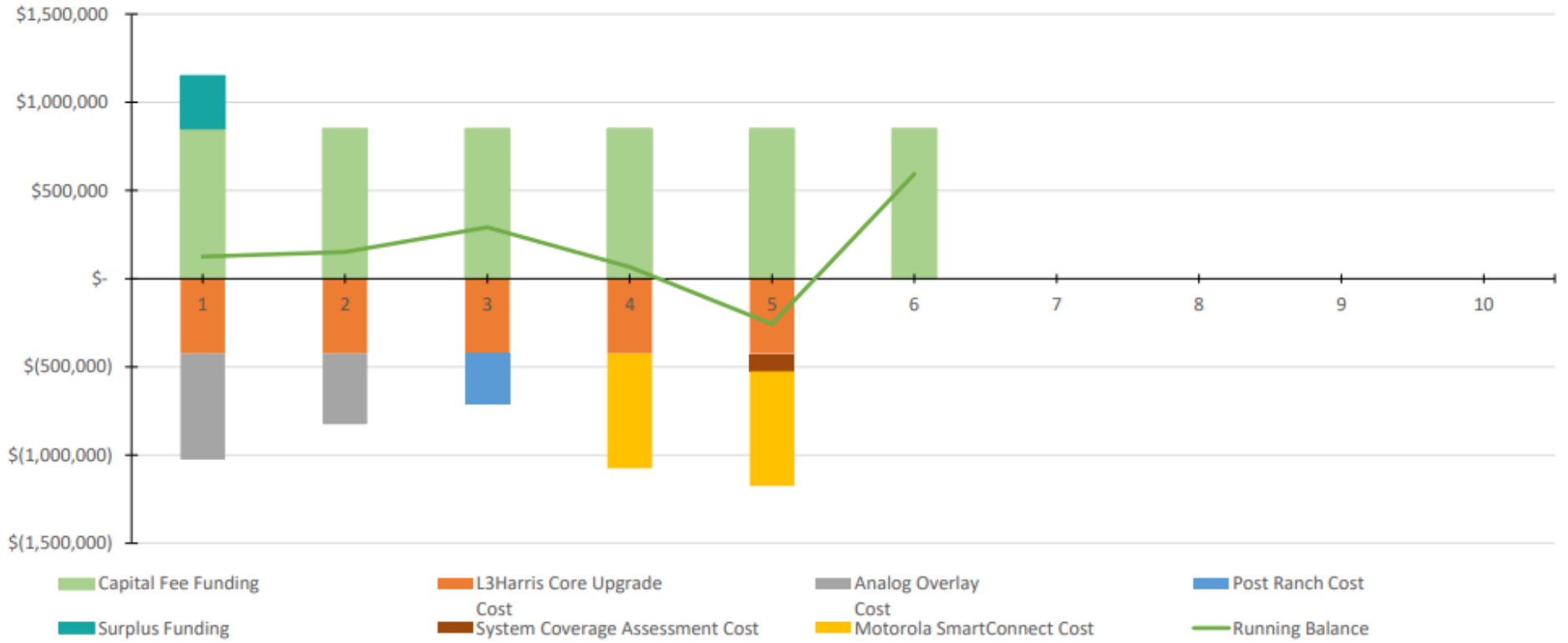


Exhibit C

FY 24-25 NGEN CAPITAL FEE					Fire Weight	Billable Amt	February 2024 True-up	Monthly Cost Per Radio (weighted)			
					75%	\$ 850,981		\$ 28.91			
City Totals											
FY 24-25 True-up					FY 24/25 Cost			Variance with FY 23/24 Cost			
County of Monterey	BPTT	Radio Count	Radio + BPTT	Weighted True-up		Annual Cost	Quarterly Charge	FY 23/24 Annual Cost	\$ Variance	Radio Qty FY23-24	Variance
Sheriff	56	489	545	545		\$ 189,087.61	\$ 47,271.90	\$ 202,935.55	\$(13,847.93)		-42
Probation	0	104	104	104		\$ 36,082.77	\$ 9,020.69	\$ 35,263.08	\$ 819.70		2
District Attorney	7	30	37	37		\$ 12,837.14	\$ 3,209.29	\$ 12,791.51	\$ 45.63		0
Parks	0	58	58	58		\$ 20,123.09	\$ 5,030.77	\$ 19,705.84	\$ 417.25		1
Public Works	0	20	20	20		\$ 6,939.00	\$ 1,734.75	\$ 6,914.33	\$ 24.67		0
Water Resources	0	6	6	6		\$ 2,081.70	\$ 520.42	\$ 2,765.73	\$ (684.03)		-2
Office of Emergency Services	6	5	11	11		\$ 3,816.45	\$ 954.11	\$ 3,802.88	\$ 13.57		0
EMS	1	105	106	106		\$ 36,776.67	\$ 9,194.17	\$ 34,917.36	\$ 1,859.31		5
City of Carmel by the Sea	0	46	46	41		\$ 14,224.94	\$ 3,556.23	\$ 14,174.37	\$ 50.57		0
City of Del Rey Oaks	2	20	22	22		\$ 7,632.89	\$ 1,908.22	\$ 5,531.46	\$ 2,101.43		6
City of Gonzales	6	55	61	54.25		\$ 18,822.02	\$ 4,705.51	\$ 18,582.26	\$ 239.77		0.5
City of Greenfield	4	72	76	69.75		\$ 24,199.75	\$ 6,049.94	\$ 25,150.87	\$ (951.13)		-3
City of King City	3	59	62	54.75		\$ 18,995.50	\$ 4,748.87	\$ 18,582.26	\$ 413.24		1
City of Marina	6	120	126	114.5		\$ 39,725.75	\$ 9,931.44	\$ 39,325.24	\$ 400.50		0.75
City of Monterey	23	206	229	206		\$ 71,471.65	\$ 17,867.91	\$ 71,822.59	\$ (350.94)		-1.75
City of Pacific Grove	4	55	59	55.25		\$ 19,168.97	\$ 4,792.24	\$ 20,829.42	\$ (1,660.44)		-5
City of Salinas	65	474	539	494.25		\$ 171,479.91	\$ 42,869.98	\$ 166,462.46	\$ 5,017.45		12.75
City of Sand City	2	21	23	23		\$ 7,979.84	\$ 1,994.96	\$ 7,605.76	\$ 374.08		1
City of Seaside	18	127	145	131.5		\$ 45,623.89	\$ 11,405.97	\$ 43,992.42	\$ 1,631.48		4.25
City of Soledad	0	37	37	37		\$ 12,837.14	\$ 3,209.29	\$ 12,791.51	\$ 45.63		0
CSU Monterey Bay	0	39	39	39		\$ 13,531.04	\$ 3,382.76	\$ 13,137.22	\$ 393.82		1
Monterey Airport (Billed to MFD)	0	17	17	12.75		\$ 4,423.61	\$ 1,105.90	\$ 4,407.88	\$ 15.72		0
Mid-Coast Fire	0	9	9	6.75		\$ 2,341.91	\$ 585.48	\$ 2,333.59	\$ 8.32		0
Big Sur Volunteer Fire	6	45	51	38.25		\$ 13,270.83	\$ 3,317.71	\$ 13,223.65	\$ 47.17		0
North County Fire District	4	67	71	53.25		\$ 18,475.07	\$ 4,618.77	\$ 18,668.69	\$ (193.61)		-0.75
Monterey County Regional Fire	6	144	150	112.5		\$ 39,031.85	\$ 9,757.96	\$ 35,263.08	\$ 3,768.77		10.5
TOTALS	219	2430	2649	2452.75		\$ 850,981.00	\$ 212,745.25	\$ 850,981.00	\$ 0.00		-8.75

Breakout By Department

LAW

FY 24-25 True-up						FY 24/25 Cost		Variance with FY 23/24 Cost		
County of Monterey	BPTT	Radio Count	Radio + BPTT	Weighted True-Up	% of Total True-Up	Annual Cost	Quarterly Charge	FY 23/24 Annual Cost	\$ Variance	Radio Qty FY23-24 Variance
Sheriff	56	489	545	545	22.22%	\$ 189,087.61	\$ 47,271.90	\$ 202,935.55	\$(13,847.93)	-42
Probation	0	104	104	104	4.24%	\$ 36,082.77	\$ 9,020.69	\$ 35,263.08	\$ 819.70	2
District Attorney	7	30	37	37	1.51%	\$ 12,837.14	\$ 3,209.29	\$ 12,791.51	\$ 45.63	0
Parks	0	58	58	58	2.36%	\$ 20,123.09	\$ 5,030.77	\$ 19,705.84	\$ 417.25	1
Public Works	0	20	20	20	0.82%	\$ 6,939.00	\$ 1,734.75	\$ 6,914.33	\$ 24.67	0
Water Resources	0	6	6	6	0.24%	\$ 2,081.70	\$ 520.42	\$ 2,765.73	\$ (684.03)	-2
Office of Emergency Services	6	5	11	11	0.45%	\$ 3,816.45	\$ 954.11	\$ 3,802.88	\$ 13.57	0
EMS	1	105	106	106	4.32%	\$ 36,776.67	\$ 9,194.17	\$ 34,917.36	\$ 1,859.31	5
City of Carmel by the Sea	0	26	26	26	1.06%	\$ 9,020.69	\$ 2,255.17	\$ 8,988.63	\$ 32.07	0
City of Del Rey Oaks	2	20	22	22	0.90%	\$ 7,632.89	\$ 1,908.22	\$ 5,531.46	\$ 2,101.43	6
City of Gonzales	6	28	34	34	1.39%	\$ 11,796.29	\$ 2,949.07	\$ 11,062.93	\$ 733.37	2
City of Greenfield	2	49	51	51	2.08%	\$ 17,694.44	\$ 4,423.61	\$ 18,668.69	\$ (974.25)	-3
City of King City	3	30	33	33	1.35%	\$ 11,449.34	\$ 2,862.34	\$ 11,062.93	\$ 386.42	1
City of Marina	0	64	64	64	2.61%	\$ 22,204.78	\$ 5,551.20	\$ 22,125.85	\$ 78.93	0
City of Monterey	17	83	100	100	4.08%	\$ 34,694.98	\$ 8,673.74	\$ 34,917.36	\$ (222.38)	-1
City of Pacific Grove	4	40	44	44	1.79%	\$ 15,265.79	\$ 3,816.45	\$ 16,940.11	\$ (1,674.32)	-5
City of Salinas	55	294	349	349	14.23%	\$ 121,085.46	\$ 30,271.37	\$ 116,506.44	\$ 4,579.02	12
City of Sand City	2	21	23	23	0.94%	\$ 7,979.84	\$ 1,994.96	\$ 7,605.76	\$ 374.08	1
City of Seaside	14	77	91	91	3.71%	\$ 31,572.43	\$ 7,893.11	\$ 29,731.61	\$ 1,840.81	5
City of Soledad	0	37	37	37	1.51%	\$ 12,837.14	\$ 3,209.29	\$ 12,791.51	\$ 45.63	0
CSU Monterey Bay	0	39	39	39	1.59%	\$ 13,531.04	\$ 3,382.76	\$ 13,137.22	\$ 393.82	1

FIRE

FY 24-25 True-up						FY 24/25 Cost		Variance with FY 23/24 Cost		
County of Monterey	BPTT	Radio Count	Radio + BPTT	Weighted True-Up	% of Total True-Up	Annual Cost	Quarterly Charge	FY 23/24 Annual Cost	\$ Variance	Radio Qty FY23-24 Variance
City of Carmel by the Sea	0	20	20	15	0.61%	\$ 5,204.25	\$ 1,301.06	\$ 5,185.75	\$ 18.50	0
City of Gonzales	0	27	27	20.25	0.83%	\$ 7,025.73	\$ 1,756.43	\$ 7,519.33	\$ (493.60)	-1.5
City of Greenfield	2	23	25	18.75	0.76%	\$ 6,505.31	\$ 1,626.33	\$ 6,482.18	\$ 23.12	0
City of King City	0	29	29	21.75	0.89%	\$ 7,546.16	\$ 1,886.54	\$ 7,519.33	\$ 26.82	0
City of Marina	6	40	46	34.5	1.41%	\$ 11,969.77	\$ 2,992.44	\$ 11,667.93	\$ 301.84	0.75
City of Monterey	6	86	92	69	2.81%	\$ 23,939.53	\$ 5,984.88	\$ 24,113.72	\$ (174.19)	-0.75
City of Pacific Grove	0	15	15	11.25	0.46%	\$ 3,903.18	\$ 975.80	\$ 3,889.31	\$ 13.87	0
City of Salinas	10	169	179	134.25	5.47%	\$ 46,578.00	\$ 11,644.50	\$ 46,153.14	\$ 424.86	0.75
City of Seaside	4	50	54	40.5	1.65%	\$ 14,051.46	\$ 3,512.87	\$ 14,260.80	\$ (209.34)	-0.75
Monterey Airport (Billed to MFD)	0	17	17	12.75	0.52%	\$ 4,423.61	\$ 1,105.90	\$ 4,407.88	\$ 15.72	0
Mid-Coast Fire	0	9	9	6.75	0.28%	\$ 2,341.91	\$ 585.48	\$ 2,333.59	\$ 8.32	0
Big Sur Volunteer Fire	6	45	51	38.25	1.56%	\$ 13,270.83	\$ 3,317.71	\$ 13,223.65	\$ 47.17	0
North County Fire District	4	67	71	53.25	2.17%	\$ 18,475.07	\$ 4,618.77	\$ 18,668.69	\$ (193.61)	-0.75
Monterey County Regional Fire	6	144	150	112.5	4.59%	\$ 39,031.85	\$ 9,757.96	\$ 35,263.08	\$ 3,768.77	10.5

PUBLIC WORKS

City of Marina	0	16	16	16	0.65%	\$ 5,551.20	\$ 1,387.80	\$ 5,531.46	\$ 19.73	0
City of Monterey	0	37	37	37	1.51%	\$ 12,837.14	\$ 3,209.29	\$ 12,791.51	\$ 45.63	0
City of Salinas	0	11	11	11	0.45%	\$ 3,816.45	\$ 954.11	\$ 3,802.88	\$ 13.57	0
TOTALS	219	2430	2649	2452.75	100.00%	\$ 850,981.00	\$ 212,745.25	\$ 850,981.00	\$ 0.00	-8.75