

**NGEN Executive Board Minutes  
February 22, 2024**

<b>Participants</b>	<b>Agency</b>	<b>Representing</b>	<b>Present</b>
David Sargenti (Chair)	Monterey County Regional Fire	District Fire Chiefs	<b>X</b>
Steve Adams (Vice Chair)	City of King	South County City Managers	<b>X</b>
Sonia De La Rosa	County of Monterey	County of Monterey	<b>X</b>
Tina Nieto	Monterey County Sheriff	Monterey County Sheriff	<b>X</b>
John Guertin	City of Pacific Grove	City Managers South Peninsula	<b>X</b>
Vibeke Norgaard	City of Sand City	North Peninsula Cities	<b>X</b>
Jim Pia	City of Salinas	City of Salinas	<b>X</b>
<b>Non-Voting Advisors</b>	<b>Agency</b>	<b>Representing</b>	<b>Present</b>
Alex Zheng	Information Technology Dept.	Deputy Chief Information Officer	<b>X</b>
Lee Ann Magoski	Emergency Communications Dept.	Director of Emergency Communications	<b>X</b>
Sam Klemek – Ops Board Vice Chair	Salinas Fire Department	NGEN Operations Board	<b>X</b>

**Agenda Items:**

**1. Call to Order and Introductions** – The meeting was called to order by Chair David Sargenti at 1403 hours.

**Roll Call of BOARD Members and Advisors –**

- Rollcall taken by Leslie Madrigal and attendees marked present above.

**2. Additions and Corrections to Agenda:** None

**3. Public Comment for items not on the agenda:** None

**4. Approval of Minutes**

- January 25, 2024 – Attachment 1 – **Action Item** – David Sargenti

**ACTION/MOTION:** Steve Adams made a motion to approve January 25, 2024 minutes. John Guertin seconded. Roll call taken. All members were in favor of approving minutes.

**5. NGEN Operations Board Update**

Sam Klemek presented the following:

- Operations Board Chair Keith Boyd was unable to attend meeting and designated Vice Chair Sam Klemek to attend on his behalf.
- NGEN Operations Board is recommending to this board to continue with a five-year capital improvement plan and leaving current contributions as they are.
- Sam Klemek also went over the prioritization list of projects recommend by ITD for the next five years, which was unanimously supported by the NGEN Operations Board.

**6. NGEN Operations Board Overview – February 15, 2024**

Thomas Montoya presented the following:

- FY 24-25 NGEN O&M Budget & True-Up were discussed at the NGEN Operations Board meeting and the board approved the recommendation to the NGEN Executive Board.
  - NGEN Capital Fee and CIP Plan was approved and recommend to NGEN Executive Board maintain \$850K capital fee collection and maintaining a 5-year cycle with annual reviewing of projects.

## 7. FY 24-25 NGEN O&M Budget and True-Up – Action Item 24-001

Thomas Montoya presented the following:

- Comparison of FY 23-24 and FY 24-25 variances, which included ITD O&M subtotals, labor costs, vendor cost and site fees. A 3% difference in increase was noted, primarily due to a potential 3% MOU increase for labor. Total increase in this category was \$50,772, with labor and vendor costs contributing to the rise. This action would later be approved without the 3% MOU increase included.
- Vendor costs increased primarily due to recurring AT&T fiber circuit costs, as the Radio team implemented diversity links throughout various sites for system resilience. Site fees also saw an increase, mainly due to lease cost escalators.
- Overall, the ITD O&M subtotal is anticipated to increase by \$50,772, representing a 4% increase from the last fiscal year.
- The total expenditure budget, including the ECD Admin fee, has been reduced from 10% last fiscal year to 5%. This reduction was made considering the administrative support provided by John Vaught and his finance team and ITD preparing and presenting information for NGEN going forward.
- The COWCAP rate initially submitted to the State was \$147k, but later settled at \$159k compared to last year's \$175k. Last year presented an anomaly with a large credit of \$126k, but looking at the total expenditure budget, including ITD O&M, ECD admin, and COWCAP, the billable amount stands at \$1.502M.
- The latest inventory taken in November and December 2023 was used to allocate costs per agency and city, resulting in a new monthly cost per radio of \$51.04 using the dollar amount of 1.502M.
- A comparison showed an increase per radio compared to the previous year, while a decrease was observed when compared to two years prior.
- With information presented, it was proposed that this board approve and recommend the Monterey County Board of Supervisors approve the following:
  - Approve and recommend the Monterey County Board of Supervisors approve the FY 24-25 NGEN Operations and Maintenance (O&M) Expenditures Budget in the amount of \$1,534,023;
  - Approve and recommend the Monterey County Board of Supervisors approve the FY 24-25 NGEN Operations and Maintenance (O&M) Total Net Billable NGEN O&M Fee in the amount of \$1,502,395;
  - Approve and authorize the Department of Emergency Communications to bill NGEN O&M cost for FY 24-25 quarterly, in advance of each quarter, using the February 2024 Radio True Up

### *Board discussion:*

Chair David Sargenti noted the information provided to board members included additional exhibits and breakdowns for departments. Questions were opened to the board regarding the budget and True-Up numbers, with a clarification that the presented figures were for recurring maintenance only, not the reserve.

Steve Adams raised concerns about the 22% increase compared to the previous fiscal year, and it potentially being more challenging for some of the cities especially considering other fiscal challenges such as negotiations and new radio purchases.

Jim Pia asked about the accommodation of the MOU in the budget and not in the budget prior. He expressed concerns about potential increases. Jim also stated he approved of the 5-year plan.

David Sargenti also asked why the potential MOU increase was permitted in one budget but not in others.

*Board discussion continued:*

Lee Ann Magoski added the possible difference in adding this cost is due to this being a fund and not a department budget.

Sonia De La Rosa questioned the reason behind including potential increases in the budget, if there is no set dollar amount. However, she understood ITD's attempt to plan ahead.

Alex Zheng clarified that the inclusion of potential MOU increases was for planning purposes but stated it would be removed to comply with the Emergency Communications Department (ECD) process.

Steve Adams asked for a better understanding of COWCAP's changing cost allocation.

Thomas Montoya asked John Vaught for clarification on the cost allocation process. John indicated these costs were for Federal support, HR, budget office and all the support cost the County has. He also stated ITD has been working with the state on obtaining these figures.

Alex Zheng explained the inclusion of \$159k is based on the most recent approved plan by the Auditor Controller. He also stated the COWCAP is a complicated process and that it is ITD finance manager's opinion that NGEN shall not be subject to this process. ITD finance manager will continue to work with the County and State Auditor Controller to keep this number consistent on a year-to-year basis. Alex also compared FY 22-23 COWCAP cost of \$175k versus upcoming FY 24-25, which shows the billable O&M fee being about the same. He noted the big swing between FY 24-25 versus last year is due to the huge COWCAP fluctuation, and the expectation is that it will be around this range for the next few years.

David Sargenti reflected on previous budget discussions and anticipated these numbers due to absorbing credits and managing costs, including potential radio increases or decreases. He also shared with the board these where things board members would have to work on with their partners.

Jim Pia inquired about the potential of increasing revenue. Thomas Montoya added there are current leases with Monterey County and cellular companies such as T-Mobile where the County receives double the revenue. He suggested revisiting lease terms with Verizon based on higher rates from other leases in the county.

David Sargenti added that the revenue from Verizon at Laguna Seca is an offset of the difference between a site build, and ongoing use of that site with regards to the Verizon lease with the County for the property.

Tina Nieto raised the question about the action items, seeking clarification on which items could be addressed.

Sonia De La Rosa proposed revising the budget items to reflect the discussion points, agreeing to revisions on items 2 and 3 but indicating the need to revise item 1.

Alex Zheng suggested reducing the O&M budget by \$10,599, which is the variance due to the MOU increase for the labor section.

David Sargenti summarized the three action items, emphasizing the need to revise item 2 from \$1,502,395 to \$1,491,796, which would take out the \$10,599 for the MOU consideration. Items 1 and 3 would remain the same.

Jim Pia asked if this was the motion he seconded. David Sargenti asked Tina Nieto if the revisions addressed her concerns, which she affirmed, also noting Sonia's concerns about presenting this budget to the board.

Discussion concluded and the board voted on Action item 24-001.

**ACTION/MOTION: Jim Pia made a motion to approve FY 24-25 NGEN O&M Budget and True-Up – Action Item 24-001. Sonia De La Rosa seconded. Roll call taken. All members were in favor of approving this item with the following revision:**

**Removing \$10,599 of potential MOU increase and updating the Total Net Billable NGEN O&M Fee \$1,491,796.**

**8. NGEN Capital Fee and CIP Plan – Action Item 24-002**

Thomas Montoya presented the following:

- Overview of the 5-year NGEN Capital Fee and CIP plan, which has no changes to scheduled projects. The projects presented are listed by priority and include details on the project's initiation timeline, capital costs and the 5-year plan with projected costs that factor in any type of financing, delayed start, and future year value to account for inflation.
- Thomas also presented a chart to illustrate the proposed funding of \$850k per year for the capital fee, starting with a \$300k surplus. Chart also included proposed expenditures, which were outlined with a green line indicating the running balance across all years.
- The Operations Board approved a 5-year plan with the understanding of revisiting this plan on a year-to-year basis. There is potential for these costs to become lower than projected if projects are completed faster than anticipated.
- Thomas also noted with a 5-year outlook, adjustments can be made annually. The presentation highlighted the proposal of financing the L3 Harris core upgrade project over 5-years and the initiation of the Analog Overlay project in year one. Both projects are of highest priority and would be paid over two fiscal years.

*Board discussion:*

Jim Pia asked if everyone was on their own when purchasing radios and since he is newer, is there an economy of scale to default to.

Tina Nieto explained that while agencies aren't purchasing radios together, they do rely on each other's agreements depending on if they are using Motorola or Harris. She also noted that although they are not all doing it together, they do work together for the larger agencies on the police side but could not comment on the fire side.

Alex Zheng suggested the idea of doing it together, as this would give a larger purchasing power for the Phase-II radio upgrade and future radio purchases. He added this item could be presented to the Operations Board to gain support and purchase those radios together by releasing a large RFP and realizing a bigger discount.

Jim and Thomas agreed, and noted this could push Motorola and Harris to offer better pricing. Thomas added that preliminary discussions have taken place with both companies, and something that can be revisited with them in upcoming sessions.

Thomas continued the presentation going over the breakout matrix view of the 5-year plan, which shows the total cost on a year-to-year basis and the total funding allocated. He reiterated this would be revisited yearly, to hopefully change what is now a funding deficit in year five as obsolete or adjust encapsulate year six.

Steve Adams asked for clarification on 5-year plan, as he recalls this was previously presented as being funded over 10 years. Alex reminded him this board asked to look at a 5-year plan.

*Board discussion continued:*

Thomas Montoya went over the changes presented in this meeting in the 5-year plan, particularly in years 4 and 5. He highlighted the change from a \$2.6 million on-premise hosting solution to a \$1.1 million cloud-hosted option for the Motorola SmartConnect project, which is what decreased that amount. Additionally, the NGEN coverage assessment project has been adjusted from a \$3 million placeholder to a \$100,000 assessment to identify coverage deficiencies and develop future project scopes based on quantitative assessment. Thomas explains the financing strategy for the core upgrade project, considering options for spreading costs over 10 years but ultimately opting for 5-years, as technology is rapidly evolving, and things may change in 3 or 4 years. This is why the plan should be revisited on a year-to-year basis.

Steve Adams asked if Thomas did not anticipate much change between years 5 and 10. Thomas stated at this point in working with the vendors and looking at the technology and its lifespan, nothing is set for year 6 through 10. However, he mentions the possibility of addressing coverage deficiencies post-implementation of the SmartConnect project. Steve Adams suggests extending the planning to seven years to potentially smooth out costs, but Tina Nieto expresses support for sticking with the five-year plan. She emphasizes the rapid pace of technological change and costs going up and down.

Don Clark raised a question about the \$100,000 annual O&M fee for the mobile SmartConnect project, and expressed confusion about its inclusion. Thomas Montoya clarifies that the fee is currently being discussed by the Operations Board, leaning towards charging agencies benefiting from the service. He talked about the advantages of the SmartConnect project, such as its potential to fill coverage gaps at a lower cost compared to constructing a tower. David Sargenti emphasized the importance of adapting to evolving technology, noting the need for radio replacements in the near future. Thomas Montoya adds that the SmartConnect project also needs radios capable of utilizing it. The Radio team is working with Motorola, to create a menu of end user devices. Lee Ann Magoski added that there should be caution, emphasizing the importance of maintaining the current radio system and considering the possible issues of integrating with FirstNet. Thomas Montoya clarifies that the additional \$100,000 fee would be in addition to the existing O&M costs, with discussions ongoing about how it will be distributed among agencies. Sam Klemek echoes the need for flexibility in project prioritization and adaptation to changing technology.

No further discussion. Chair requested a motion to be made and seconded for action item 24-002.

**ACTION/MOTION: Tina Nieto made a motion to approve NGEN Capital Fee and CIP Plan – Action Item 24-002. Sonia De La Rosa seconded. Roll call taken. All members were in favor.**

#### **9. New NGEN Member Presidio of Monterey Fire – Action Item 24-003**

Thomas Montoya presented the following:

- Received a letter of intent from Presidio of Monterey to join the NGEN Services Agreement. The Operations Board approved adding them as a new member.
- As a new member to the NGEN system, the Radio team has worked with Presidio of Monterey Fire to confirm radio inventory.
- It is estimated that based on 37 radios and the latest true-up numbers, current costs per radio, will be a monthly cost per radio for NGEN O&M Fee and a capital fee. The revenue collected from this addition would be considered NGEN surplus.
- Additionally, there is a request to consider assessing a buy-in fee.
- Thomas Montoya seeks approval from the Executive Board to authorize the director of ITD to sign an amendment to the NGEN Services agreement, including the Presidio as a new member.

*Board discussion:*

David Sargenti inquired about the timeline for integrating the Presidio of Monterey to the NGEN system. Thomas Montoya explains that they are already mutual-aid partners, so the integration process will require minimal adjustments. Lee Ann Magoski adds that after this step, they will need to finalize contracts with the Federal government before operationalizing the integration. Don Clark mentions that some radio work will be needed at each station, one at the Defense Language Institute and the other at Fort Ord. Thomas Montoya confirms this and states that Presidio understands they will be responsible for any associated fees. David Sargenti brings up the issue of a buy-in fee, highlighting that it's a new and leaves the decision up to the board.

Thomas Montoya presents the idea of calculating a buy-in fee for the Presidio of Monterey based on their use of the NGEN system over the past few years. He proposes a figure of around \$166,000, which is what they would have invested into the system over 13 years.

Jim Pia expresses concern about, considering that the Presidio did not directly receive service during that time. He also inquired if Presidio was aware of these terms.

Thomas stated that an estimate had not been discussed, but Presidio was informed that this board would be looking at an estimate based on the capital fee this board pays. Alex Zheng added that Presidio had also received a copy of the NGEN agreement, which mentioned the buy-in clause. He also stated the debt service is a fee everyone paid into for the initial construction of the NGEN system.

Samuel Klemek added that when the buy-in fee was initially discussed it was to deal with situations like this. He emphasized its original purpose was to address new users and system expansion.

Lee Ann Magoski added she wanted to stress the importance of consistency with the buy-in fee. She also noted the importance of moving quickly due to potential changes in leadership at the base.

Don Clark added that Presidio's call volume is at 80% on their channels and the remaining 20% is to their own response and ECD does not provide service. He also added Presidio was brought on to use the system about 8 years in August 2015.

David Sargenti suggests a buy-in fee, based on the Presidio's actual usage of the system over the past few years. He suggested the buy-in fee could be based on their current usage, which is estimated to be 80% of what they would have paid if they were full users, the recommended buy-in fee for the fire department is approximately \$81,723.

Jim Pia agreed. Sonia De La Rosa asked about potential flexibility in the fee in the event of pushback of the buy-in fee.

Tina Nieto suggested spreading out buy-in fee and negotiating to make the fee more manageable for the Presidio. Jim Pia agrees, suggesting a multi-faceted payment plan with a grace period. David Sargenti proposes letting the Presidio pay the fee over an 8-year period, with the understanding that they will be part of the CIP moving forward, and their contribution will increase as the system's costs increase. David Sargenti asks the board if they agree with a buy-in fee of \$81,723 and allow him and ITD to work out a reasonable schedule with the Presidio for this fee as well as work on the CIP.

**ACTION/MOTION: Tina Nieto made a motion to approve New NGEN Member Presidio of Monterey Fire – Action Item 24-003 . Jim Pia seconded. Roll call taken. All members were in favor adding the use of \$81,723.04 as the buy-in with some latitude of the chair and ITD to come up with what the CIP will look like moving forward.**

## 10. NGEN Operations and Projects Update

Thomas Montoya presented the following:

- **2024 Winter Storm EOC Update** - During recent winter storm Thomas reported no major outages. Many sites were able to switch to emergency power generators running on DC battery banks while PG&E was offline for several hours. This is attributed to the investments made by the board and the county in site hardening, generator replacement, tower retrofitting, and circuit upgrades, the system remained resilient. As well as the efforts and dedication of the Radio team's technicians and engineers.
- **Phase-II** - notifications have been sent to all agencies, which has stirred up a lot of inquiries. Thomas is generating a QA to capture all the questions. This QA document will be shared with the agencies. Additionally, efforts are being made to establish a rough schedule based on all the funding constraints.
- **Lobos Ridge Site Buildout (Carmel PD)** - ongoing collaboration with the site manager. The manager is currently assessing the application, anticipate receiving a notice by March.
- **Mid-coast (Glen Devon) Repeater Site** - interim solution, testing has been completed, but anomalies with data throughput were found. They are working with the vendor to fine-tune the system, including adjusting billing and traffic prioritization within the system. Testing is scheduled to reconvene next week, with the aim of implementing the solution in the field by the end of February. Regarding the long-term solution, the UHF Backhaul with Point Sur and Big Sur campgrounds as relay points, the Point Sur lease has been approved and working the logistical details with them. The application for the Big Sur Campground is still pending but continue to work with the builder to move forward with the application.

### *Board discussion:*

Don Clark expressed concern about the potential cost of using Starlink, citing the example of Cal Fire, which had to shut down its system due to high data costs. Thomas Montoya stated they are working with Starlink to avoid such issues, mentioning different data throughput options available at various price points. They are currently testing the system to identify any anomalies and plan to conclude testing by the end of the next week. Don Clark also asked about Starlink's coverage for the Sheriff's Department in the area until leased sites are completed. Thomas confirms that they are considering leveraging the new sites for other parts of the system and that it has been discussed at the shop level. Lee Ann Magoski expresses concerns about potential budget impacts if the system is turned on during a major incident. Thomas explained their testing process and reassured that the traffic generated by Glen Devin is anticipated to be small. Alex Zheng agrees, emphasizing the difference in the situation with Cal Fire and Glen Devon, as the user population is totally different. Thomas provides details about the cost of the Starlink solution and estimates the traffic generated by Glen Devon to be less than 200-300 GB per month as estimated by the engineers.

## 11. Future Agenda Items: None

## 12. Adjournment: Meeting adjourned at 1514 hours.