

NGEN Operations Board Minutes
February 15, 2024

Participants	Agency	Representing	Present
Keith Boyd – Chair	Monterey County Sheriffs Dept.	Monterey County Undersheriff	X
Sam Klemek – Vice Chair	Salinas Fire Department	Salinas Fire Chief	X
Dave Hober	Monterey Police Department	Law Enforcement Agency 1 of 3	
VACANT	Monterey Fire Department	Fire Protection Agency 1 of 3	
Doug McCoun	Marina Fire Department	Fire Protection Agency 2 of 3	X
Chris Bourquin	Del Rey Oaks PD	Law Enforcement Agency 2 of 3	X
Matt Harris	Big Sure Fire	Fire Protection Agency 3 of 3	X
Bill Mixer	Greenfield PD	Law Enforcement Agency 3 of 3	X
Brian Johnson	Salinas Police Department	Salinas Police Chief designee	X
Eric Chatham	Information Technology Dept	Chief Information Officer	X
Lee Ann Magoski	Emergency Communications Dept.	Director of Emergency Communications	X

Agenda Items:

- 1. Call to Order and Introductions** – The meeting was called to order by Chair Keith Boyd at 1505 hours.
Roll Call of Board Members and Advisors – Rollcall taken by Leslie Madrigal and attendees marked present above.
Additions and Corrections to Agenda – None.

- 2. Approval of November 16, 2023 Minutes – Action Item – (Attachment 1) – Chairperson**

ACTION/MOTION: Sam Klemek made a motion to approve the November 16, 2023 meeting minutes. Seconded by Chris Bourquin. All were in favor. None opposed.

- 3. Approval of January 18, 2024 Minutes – Action Item – (Attachment 2) – Chairperson**

ACTION/MOTION: Doug McCoun made a motion to approve the January 18, 2024 meeting minutes. Seconded by Matt Harris. All were in favor. None opposed.

- 4. NGEN Executive Board Overview – January 25, 2024**

Thomas Montoya presented the following:

- New NGEN member Presidio of Monterey and Emergency Services (POM FESD). This will be an action item at the February 22, 2024 NGEN Executive Board meeting for review and approval.
- NGEN Capital Fee and Cost projections – the Executive Board requested a 5-year CIP plan while maintaining \$850K collection fee to match the previous debt service fee.

- 5. 2024 Winter Storm EOC Update**

Thomas Montoya presented the following:

- No major outages reported. System was resilient.
- A dozen sites suffered power outages – emergency power systems worked as intended. The Radio team did a great job of running out and keeping everything charged. They also were in collaboration with ECD to keep them up to date.

6. NGEN FY 24-25 O&M Budget and True-Up – Action Item 24-006

Thomas Montoya presented the following:

- FY 24-25 O&M Budget and True up, highlighting variances from the previous year. The top sections A, B, and C represent ITD O&M subtotals in the presentation slide, covering staff labor, vendor costs, and site fees. Increases in these areas were primarily attributed to the anticipated 3% MOU increases and overhead costs. Additional expenses were incurred due to the installation of extra fiber circuits to enhance system uptime and resiliency against single points of failure. Site fees increased by \$19k, mainly due to lease cost escalators. Overall, there was a net increase of about \$50k between last year and this year.
- The ECD admin fee, which is a percentage of the ITD O&M subtotal, was decreased from 10% to 5%. The reduction is due to ITD has resumed many activities and tasks related to preparing board reports for the NGEN Operations and Executive board.
- COWCAP - the Radio team in collaboration with the state auditor has seen a significant reduction. Previously at \$1.3 million, it has now been lowered to \$147,000, as per the current projection. Efforts are being made to further decrease this amount to zero. This reduction marks a substantial decrease in costs compared to previous years, with the total expenditure for 2024-2025 being \$1,521,500. The main factor influencing this change is the reduction in the COWCAP expenditure.
- Following the revenues received from the Verizon lease at Laguna Seca, the total billable NGEN fee amounts to \$1.489 million. This fee is then integrated into the true-up process, utilizing new inventory numbers obtained in December 2023. Consequently, the monthly cost per radio for the upcoming fiscal year stands at \$50.62. While this represents a \$9 increase compared to the previous month, it is \$4 cheaper than two years ago. The big swing is the COWCAP expenditure.
- Thomas Montoya requests this board's approval and recommendation to the NGEN Executive board to approve expenditure amount of \$1,521,500. Additionally, approving the total net billable amount after revenue is applied, which stands at \$1,489,872 million. With this, he also seeks approval and recommendation for the NGEN executive board to authorize ECD to bill on a quarterly basis, as per the NGEN services agreement, utilizing the latest February 2024 true-up.

Board Discussion:

Vice chair Klemek inquired about site lease increases and if these escalators were built into the MOUs.

Thomas confirmed that lease escalators were indeed included in the agreements, elaborating on additional overhead costs such as administrative fees and maintenance expenses like generator and emergency power supply maintenance, contributing to the overall site fees.

Vice chair expressed the need for a document outlining lease dates to better track upcoming leases that could potentially impact the budget. He emphasized the importance of having this information readily available for planning purposes, suggesting its inclusion in a report.

No further discussion. Chair Boyd asked the board for a motion on action item 24-006 presented by Thomas.

ACTION/MOTION: Sam Klemek made a motion to approve Action Item 24-006 NGEN FY 24-25 O&M Budget and True-Up as presented. Seconded by Matt Harris. All were in favor. None opposed.

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

Thomas Montoya presented the following:

- Proposed Capital Improvement Plan (CIP), highlighting that it remains virtually unchanged from the previous plan. Projects were prioritized from high to low, with the timeline and capital cost remaining consistent. The NGEN Executive board requested the plan to be structured as a 5-year plan, but options for 6 and 10-year plans were also provided. All plans have a capital fee collection of \$850,981 and start with a \$300K surplus.

CIP Plan Options:

- 5-year CIP plan - \$3.81M; maintain \$850,981 capital fee. Plan yields a deficit of \$258k in year 5.
 - 6-year CIP plan - \$4.89M; maintain \$850,981 capital fee. Plan yields surplus of \$519k in year 6.
 - 10-year CIP plan - \$4.89M; maintains \$850,981 capital fee. Plan yields surplus of \$3.9M in year 10.
- Thomas explained that attempting to squeeze the projects into a 5-year plan would result in a deficit by year 5, necessitating either an increase in the capital fee or the removal of critical projects.
 - The 6-year plan was deemed more viable, with an additional capital fee collection resulting in a \$519K surplus by the end of year 6.
 - The 10-year plan maintains an identical expenditure to year 6. This allows a reserve to generate a balance for addressing coverage deficiencies and develop a scope of work.
 - Requested this board to provide direction on the Capital Improvement Plan (CIP) options, including the 5-year, 6-year, and 10-year plans. Additionally, to approve and recommend the NGEN Executive Board approve and authorize to bill the NGEN Capital Fee \$850,981 for FY 24-25 using the February 2024 Radio True Up

Board discussion:

Chair Keith Boyd opened for discussion about the 5-year, 6-year, and 10-year plans presented by Thomas, and asked for this board's feedback.

Chris Bourquin asked if the NGEN Executive Board was aware of the potential deficit in the 5-year plan. Thomas Montoya confirmed the board's suspicion of a deficit.

Keith Boyd added he attended the NGEN Executive board meeting and emphasized the board's focus on maintaining a 5-year plan and try to be cash paying, instead of financing things and increasing our long-term costs with interest. Chris Bourquin asked if the board would be interested in raising the fees or if they were set on the capital fee collection at \$850K. Both Sam Klemek and Alex Zheng added the Executive board did not express they were interested in raising it.

Matt Harris suggested exploring value engineering to possibly help cut down on \$257k deficit with the 5-year option. Thomas Montoya expressed uncertainty about potential savings. Alex Zheng stressed the importance of budget buffers to ensure project execution.

Keith Boyd highlighted the uncertainty surrounding project costs due to factors like inflation and other cost variables. He mentioned the executive board preferred cash payment rather than financing, which affects when projects can begin. Keith emphasized that the current cost projection serves to provide the board with an estimate. He also mentions discussions about maintaining the plan as a 5-year cycle, with annual reviews to ensure the five-year plan was in tune with the available resources and prioritization. Thomas Montoya affirmed the annual review process.

Board discussion continued:

Matt Harris suggested considering the 5-year plan with the understanding that circumstances may change over time. He proposed reviewing the plan annually to accommodate adjustments and potential new projects. Matt Harris emphasized that even if a new project arises in the sixth year, it aligns with the five-year timeframe. He suggests sticking with the 5-year plan while maintaining the annual budget allocation of \$850K.

Chris Bourquin agreed, recommending the 5-year plan with acknowledgment of the need for annual review and adjustment.

Sam Klemek also agreed and made the motion to recommend the 5-year plan, based on the current project schedule. This was seconded by Chris Bourquin.

ACTION/MOTION: Sam Klemek made a motion to approve Action Item 24-002 NGEN Capital Fee and CIP Plan going with option 1: 5-year CIP plan. Seconded by Chris Bourquin. All were in favor. None opposed.

8. NGEN Projects Update

Thomas Montoya presented the following:

- **Phase-II** – email notices sent out to agencies points of contact to upgrade their radios to phase-II capable. Additionally, efforts will be made to ensure compliance and budget integration, with plans to track progress and anticipate completion timelines.
- **Lobos Ridge Site Buildout (Carmel PD)** – site lease is still pending. Thomas is in communication with site manager, and they asked for a slight modification to the application. The application will be resubmitted and reviewed.
- **Mid-coast (Glen Devon) Repeater Site** – Starlink interim solution testing found some hardware issues. The Radio team has now resolved them in collaboration with the vendor. Final testing is scheduled, with deployment expected by the end of February, weather permitting. Additionally, progress has been made regarding the long-term solution, involving the utilization of Point Sur and Big Sur campgrounds as relays. Verbal approval has been received for the Point Sur lease, marking nearly 50% completion of lease negotiations.

9. Adjournment: Meeting adjourned at 1544 hours.