



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, Oakland, 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

BOARD OF DIRECTORS SPECIAL MEETING

SPECIAL MEETING

DATE: September 29, 2023

TIME: 10:00 a.m.

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

MINUTES

1. Call to Order/Roll Call: 10:00 a.m.

Boardmembers Present: Bms. J. Calabrigo, D. Covington, J. Diaz, N. Gallo, J. King, A. Love, P. Meyer, S. Muranishi (via Zoom), S. Perkins, B. Prebula, M. Rodriguez, Y. Sanchez, M. Shorr, C. Silva, K. Stepper, D. Swing, and J. Vorhauer

Staff Present: T. McCarthy, C. Boyer, L. McKinney, C. Soto

2. Public Comments: None.

3. Approval of Minutes:

3.1 Approval of Minutes from the Board Meeting of June 16, 2023

On motion of Bm. Shorr, seconded by Bm. Vorhauer and by unanimous vote, the Board approved the minutes of the June 16, 2023 Board meeting.

4. Action Items:

4.1 Approval of Amendment to Contra Costa County Department of Information Technology Agreement

Executive Director McCarthy stated this was a contract with Contra Costa County's radio shop. The radio shop team works on the equipment and out in the field at the sites. This is to extend that contract for one year. It is for time and materials with an increase of 5%, of which is in the budget. This contract will date back to July 1, 2023.

On motion of Bm. King, seconded by Bm. Vorhauer and by unanimous vote, the Board of Directors adopted **Resolution No. 23-05 Authorizing the Chair to Execute and the Executive Director to Implement an Amendment to the Agreement with the Contra Costa County Department of Information Technology to Increase the Contract Amount by \$345,000.**

4.2 Approval of Amended and Restated Communications System Agreement with Motorola Solutions, Inc.

Executive Director McCarthy stated that EBRCSA has had a service agreement and maintenance agreement with Motorola. System Upgrade Transactions (SUA) update the System every two years. With this six-year agreement, there will be three SUA updates, one every two years. The SUA had been at a preset price for the past 10 years. This agreement is how the System is kept running and refreshed. This year, some items have been added: remote monitoring that is an added price. It is a third-party vendor. By doing this, it keeps the System secure. Also added is NICE recording and maintains recordings of radio traffic. Maintenance and SUA used to be two separate contracts. They are now one item in the contract for the six years. The Maintenance agreement increased in price the last few years. EBRCSA's goal is to know what this will cost for the next six years. The SUA is the cornerstone for taking care of routers, switches, consoles, etc. They will be updated, maintained and repaired. The forecasting is left to Motorola when you have an SUA. It is their responsibility for keeping up the hardware and software and replacing it.

Boardmembers, EBRCSA Counsel, EBRCSA Auditor and the Executive Director discussed the need for subscriber fee increases in July 2024 due to a \$1.13 million difference in contract agreement costs with the prior costs. They expressed concern at the Finance Committee meeting this week, about the contract not having a cap on the CPI plus annual increase from Motorola. It was confirmed that the cap language had not changed from what was presented at the Finance Committee meeting. They also discussed what area CPI were they using. Was it unadjusted? Annual or two months', and which two months? Who decides which annual CPI number gets used?

Ms. McKinney stated that it was up to 8%, so a 4% maximum increase.

Mike Larson, Motorola representative, stated that was an example, not a cap.

Ms. McKinney read the contract language, "Motorola shall have the right to increase the maintenance prices by the CPI increase amount exceeding 4% from the previous year." There is not a cap. So, if there is a 20% CPI increase, they could increase 16%. That is not likely, but it is not a cap. It is anything exceeding 4%. It is a deal term. It is a business decision.

Chair Meyer stated it is in all their contracts. The idea that they would remove it from the contract is not reasonable. The fact that they got them to move the base from 3% to 4% was something.

Mr. Larson stated the CPI they had discussed was not a seasonally adjusted CPI. He believes it goes by calendar year.

Ms. McKinney stated there is a number that is represented. The contract language says the annual non-seasonally adjusted CPI. This language was also in the last contract with Motorola but they did not raise the cost.

10:34 a.m. Bm. Perbula joined the meeting.

Chair Meyer stated they needed to know from Motorola what was the intent of that language. He asked that Motorola clarify within the next several minutes. It would be helpful.

Bm. Meyer tabled this item to see if they could get clarification from Motorola regarding the language to be able to get a motion.

10:57 a.m. the tabled item was resumed.

Mr. Larson clarified that the contract language from Motorola was intended as the national urban area CPI non-seasonally adjusted as published by BLS and it is for the most recent 12 months annually based off of the contract terms.

Ms. McKinney stated she checked to see what those numbers were because BLS is the Bureau of Labor and Statistics and for 2020 it was 1.2%, 2021 was 4.7%, 2022 was 8%, and this year so far it is 4%.

On motion of Bm. Perkins, seconded by Bm. King and by majority vote (Bm. Covington abstaining), the Board of Directors adopted **Resolution No. 23-06 Authorizing the Chair to Execute and the Executive Director to Implement an Amended and Restated Communications Services Agreement with Motorola to Increase the Contract Amount by \$23,081,295.**

5. Committee Updates:

5.1 Receive Informational Report on Recent Finance Committee Activities

Members of the Finance Committee explained their drilling down on the Motorola contract and having concerns as to the structural imbalance in EBRCSA's operating expenses and revenues. The need for subscriber fee increases was discussed, specifically, \$3 per radio/per month in July 2024, which is approximately a 10% increase; \$3 per radio/per month in July of 2025, which is approximately 10%, and then an ongoing minimum 3% increase going forward. The caveat is EBRCSA does not have a CIP. EBRCSA is capturing a lot of capital costs in this Motorola agreement, probably upwards of \$10-12 million in capital. It covers consoles, routers, switches, etc., that would be in the capital replacement program. The idea of trying to phase an increase in over time was based on it was another \$1.1 million plus or minus that would need to be spent on an ongoing annual basis and if EBRCSA was going to adjust for that imbalance at 100% right now, you would be looking at a \$35.50 subscriber rate per radio/per month. The Finance Committee did not want to do that and that completed that thought process. It was a

conversation that needed to include all the Board members and an agreement of what is the best way to move forward.

Ms. McKinney stated in regard to Item 6.1, it seems prudent to make sure they have accurate information before adopting a fee increase. In her conversation with Mr. Boyer, he indicated that the financials he ran for Monday's meeting were preliminary and that he would like to run some additional scenarios regarding fee increases.

5.2 Receive Informational Report on Recent Operations Committee Activities

Bm. Swing stated the Operations Committee had discussed the Motorola agreement along with what the Finance Committee had discussed. (See Item 5.1 above.)

6.1. Reports:

6.1 Receive Informational Report on Potential Subscriber Fee Increase

Discussed in Items 4.1 and 5.1, above.

7. Agenda Items for Next Meeting:

- Aviat Repair and Maintenance Agreement

Executive Director McCarthy stated that Aviat is the microwave manager that builds, installs and services the System's microwaves and that agreement would be coming to the Board soon for approval.

8. Board Comments:

Bm. Perkins asked for an update on the Walton Lane site.

Executive Director stated that the City of Antioch had allowed its lease to expire on the Walton Lane tower and shelter. They were looking at a new tower company now. He has reached out to Antioch and has had no response yet. American Tower may walk away from that site. It has the tower and shelter there and the City of Antioch could negotiate for that site and its tower and shelter. EBRCSA has the equipment for the site from the former Contra Costa County Administration building at 651 Pine Street, Martinez. It will be placed at the Walton Lane site. Antioch is currently working with Motorola with a different radio which transmits via the internet. It may be a temporary fix for communication in that area.

Chair Meyer stated there would be a meeting coming up to discuss rate increases. Also, they would discuss replacing Tom McCarthy as Executive Director.

9. **Adjournment:** With no further business coming before the Board of Directors, the meeting was adjourned at 11:12 a.m.



Caroline P. Soto
Authority Secretary