

FIRST RESPONDER NETWORK AUTHORITY

MINUTES OF THE DECEMBER 8, 2015 FINANCE COMMITTEE MEETING

The First Responder Network Authority ("FirstNet") Board held its committee meetings on December 8, 2015 beginning at 8.00 a.m. Central Standard Time, at the Hyatt Regency, Houston, 1200 Louisiana St, Houston, TX 77002. All four of the committees were convened at once. The meetings were made available to the public in person and via webcast. A transcript of the meetings and the archived copy of the webcast can be found on the FirstNet web site. (www.firstnet.gov)

FINANCE COMMITTEE

Roll Call:

The following committee members were present: James Douglas, Ed Horowitz, and Sue Swenson. This represented a quorum. The committee voted to approve the minutes from the October 2015 meeting.

Conflicts Statement: After the roll call, the Board Secretary read the conflicts statement and asked for any recusals from the committee members. There were none.

Matters Discussed:

Committee Chair Governor James Douglas said that at the end of every year, the committees review their charters to ensure they reflect the current goals and objectives of FirstNet. At this meeting, the Board Secretary proposed minor editorial changes to the Finance Committee charter, which were discussed and approved by the members.

The next order of business was the annual performance review of the committee. Governor Douglas presented the significant actions of the Finance Committee in 2015:

- Passed a resolution authorizing the release of the draft RFP
- Passed a resolution recommending the Board support the final acquisition approach
- Approved the budget for the current fiscal year
- Reviewed the final interpretations of the first and second public notices
- Received briefings and advised management on several activities
 - Recommended that management be allowed to reallocate up to 10 percent of funds from any of the major activity categories, and to exceed the authorized obligation limits within a certain tolerance.
 - Received a briefing on the RFP financial model and the financial evaluation process in the RFP
 - Received a briefing on the acquisition strategy
 - Received monthly financial updates via an internal e-newsletter from the CFO
- Approved the budget necessary to coordinate spectrum relocation from Band 14 through a federal grant program

He concluded by inviting any other committee members to add to his report.

A number of management presentations followed. The first was User Advocacy. Ms. Amanda Hilliard, Director of Outreach, reported that the overall team has doubled in size since the October Board meeting, coming to 30 federal staff members. Among them, the senior advisors for 9-1-1, fire, and EMS are now on board and complement the existing advisor for law enforcement. The team has added two tribal outreach

members, as well as two federal outreach members. New regional leads are now in place for regions 1, 3, and 6.

Mr. Dave Buchanan, Director of State Consultation, reported on the strategic offsite meeting held in late November. The participants were the outreach team, state plans, governmental affairs, and communications. The result was a coordinated and collaborative action plan for the coming year.

In response to a question from the Governance Committee Chair, Sue Swenson, about preparing governors for state plan decisions, Mr. Buchanan said FirstNet is preparing for each state as a separate entity. He noted that each state has its set of influencers, key advisors, and constituents that will weigh in. This is what his planning activity is about for 2016: customizing activities to achieve the best result from each state.

Ms. Hilliard reported on the over 90 national events that Board and staff members participated in since the October Board meeting. The IACP (International Association of Chiefs of Police) meeting in Chicago in particular was widely attended with FirstNet participating in over 30 sessions there. She also reported out on a very successful October in-person SPOC meeting where 51 states and territories were represented.

Mr. Rich Reed, Director of State Plans, spoke next about some of the results from the data collection effort that was just closing at the time of the October Board meeting. He said FirstNet received data from 54 states and territories, seven federal agencies, 5400 individual files, totaling over 15 gigabits of data, covering 1,160 public safety-facing agencies across the country. The data accounts for approximately 1.6 million public safety personnel. He showed how diverse the data was in terms of formats that FirstNet received. He reported that the analysis of the data is ongoing but that FirstNet has had a conference call with each state to clarify and discuss each state's submission. The states' data will be available in the online readers' room, or bidders' library, to enhance offerors' responses to the RFP. The state data will also be used to develop a robust FY 16 consultation process.

Mr. Dave Buchanan then previewed the consultation process for 2016. He said there were four key elements to it:

- Hold a SPOC kick-off meeting early in calendar 2016
- Connect with state FirstNet governance bodies at their scheduled meetings
- Create consultation task teams, to involve state-based SMEs
- Schedule executive consultation meetings in the states

The next presentation came from Chief Technology Officer, Jeff Bratcher. He gave a staffing update summarizing the new CTO hires since the last Board meeting. He gave an update on the Early Builder projects which are completing their network builds, and are at different stages of testing Band 14 service. He also mentioned progress on the PSAC tasking areas. Ms. Swenson asked a question concerning PSCR funding of public safety related research topics of interest to FirstNet. Mr. Bratcher said that location-based services and mission-critical voice are high priority areas for PSCR that will be addressed with the \$100 million it recently received.

The last presentation to the committees was from FirstNet Chief Financial Officer, Ms. Kim Farington. She began with the results for the fiscal year end for '15, which finished with 96 percent of obligations being actually used. All variances throughout the year were within the Board-approved allowances, she said. The expenses lagged behind what was budgeted by 55 percent. She noted, however that the 45

percent remaining can be carried over into the new fiscal year. The lag was caused primarily by delays in the hiring process which took more time than anticipated to bring staff on board.

Ms. Farington offered a brief reminder to the Board members of the contents of FY '16 budget which was presented and approved the previous August. The budget is broken down by three work streams: acquisition, consultation, and corporate services. She summarized finance team initiatives such as the internal control program, and the FirstNet Financial Manual, both designed to improve financial management. Lastly, she looked forward to the completion of a five-year strategic plan for FirstNet which is in progress and will be presented at a future Board meeting.

Votes Taken:

The Committee voted to approve the minutes from the previous Committee meeting held on October 1, 2015.

The Committee voted to approve the changes to the Committee charter proposed by the Board Secretary.

Meeting Adjourned:

The Committee voted unanimously to adjourn the meeting.