

BayRICS Authority
STAFF REPORT

DATE: Thursday April 12, 2018

TO: BayRICS Board of Directors

FROM: Barry Fraser, General Manager

SUBJECT: Item 7– BayRICS Five-Year Strategic Plan

RECOMMENDATION: Adopt advisory group recommendations for BayRICS strategic goals and direct staff to incorporate the goals in budget and operations planning for Fiscal Year 2018-2019.

I. Background

In 2014, BayRICS developed a Five-Year Strategic Plan to guide staff in budget preparation and operations planning. At the January 11 meeting the Board recommended that staff assess progress made on the 2104 strategic plan goals and develop recommendations for new goals to guide staff for the next three-to-five years. Four Directors volunteered to sit on an ad hoc advisory group to assist the general manager in developing recommendations. The advisory group prepared a report highlighting their recommendations. The draft report is attached.

General Manager Fraser will provide a brief report on the advisory group process, findings and recommendations, and potential impacts on the FY 2018-2019 budgeting process. Staff recommends that the Board adopt the advisory group recommendations for BayRICS strategic goals and direct staff to incorporate the goals in budget and operations planning for Fiscal Year 2018-2019.

Draft BayRICS 2018 Planning Document

I. Executive Summary

In 2014, BayRICS developed a Five-Year Strategic Plan in response to the loss of grant funding for the BayWEB wireless broadband project and formation of the FirstNet nationwide public safety broadband network by Congress. We are now beginning the fifth year of this five-year plan, which is the appropriate time to review strategies, assess progress, and determine how BayRICS should proceed for the next three-to-five years.

The BayRICS Board of Directors has directed staff to review the 2014 plan and develop options for updating the plan. To that end, the general manager established an *ad hoc* committee of four BayRICS directors to accomplish these tasks. This report highlights the results of the committee's work.

The committee determined that the 2014 Strategic Plan has been an effective tool for guiding BayRICS budget development and operational decision-making over the past four years. The committee found that many, but not all of the goals established by the plan have been met. Section Three provides a summary of the committee's review and assessment of the 2014 Strategic Plan goals.

The committee also proposed new and revised strategic goals for BayRICS for the next three-to-five years. These recommendations, described in detail in Section Four, are summarized here:

<u>Strategy One: Staffing and Financial Resource Management</u>
<ol style="list-style-type: none">1. Consider BayRICS staffing options: continue with part-time staff; share staff with another agency; or go back to a full-time general manager.2. Develop and adopt a succession plan for BayRICS general manager position.3. Reduce reliance on grant funding for operations expenses.4. Develop strategies for growing non-grant revenues and attracting new BayRICS members.
<u>Strategy Two: Regional Coordination of Voice and Data Communications</u>
<ol style="list-style-type: none">1. Continue to support the Radio Operators Advisory Group and focus resources on the coordination of interoperability between regional radio systems.2. As resources allow, monitor the development of new technology solutions and make recommendations for regional policies or governance where necessary.3. Task the Advisory Group with monitoring the development of FirstNet and the convergence of LMR and LTE technology.

<u>Strategy Three: Monitor and Manage FirstNet</u>
<ol style="list-style-type: none"> 1. Continue support for activities to inform BayRICS members about FirstNet services. 2. Continue BayRICS' role as an advocate for members to improve FirstNet capabilities. 3. Clarify and solidify the role of BayRICS in regional governance of public safety data services.
<u>Strategy Four: Member Communications and Outreach</u>
<ol style="list-style-type: none"> 1. Continue to use communication tools to share information supporting the Strategic Goals. 2. Enhance the value of BayRICS membership by focusing outreach primarily to BayRICS members 3. Promote our success stories to generate new members and new revenue streams. 4. Investigate and develop new communications tools that increase efficiency.

II. Background

In 2014, the BayRICS Board established an *ad hoc* planning committee to a five-year strategic plan for BayRICS. The planning committee proposed, and the Board adopted, a plan with the following four core strategies:

Strategy One: Develop a Realistic and Stable Funding Plan

Strategy Two: Bridge the Voice-Data Communications Gap

Strategy Three: Guide State Efforts to Plan for FirstNet

Strategy Four: Communicate the Value and Benefits of Interoperability

In response to the loss of BayWEB funding, the Board also implemented the following immediate goals:

- 1) Refocus efforts on short-term regional communications initiatives and FirstNet planning for the 2014-2015 Fiscal Year, while continuing to assess long term options;
- 2) Reduce annual member fees to \$7,000 for 2014-2015; and
- 3) Allocate a portion of reserve funds to cover administrative costs, FirstNet planning activities and administration of UASI grants for P25 coordination and BayLoop maintenance through 2015.

The Board directed staff to review the strategies and goals after 12 months. After this review, the Board directed staff to focus resources on *Strategy Three: Guide State Efforts to Plan for FirstNet* and develop a proposed budget template that would keep annual member fees at \$7,000. The Board also expressed concern that the BayRICS reserve fund had decreased from over \$400,000 at the end of FY 2013-2014 to \$244,000 at the end of FY 2014-2015. These reserve funds were used to cover the budget shortfall resulting from reduced member fees.

At the April 9, 2015 Board meeting, staff proposed a budget model that reduced the general manager position to a half-time position and included \$59,000 in grant funding support. This transition allowed annual member fees to remain at \$7,000, focused resources on Bay Area planning for FirstNet, and allowed the JPA to maintain its small reserve fund.

BayRICS GM and staff have used this budget model and core strategies for the past four years as a roadmap for budget and operations planning.

III. 2014 Strategic Plan Assessment

In this section, we review each of the four 2014 strategies, and assess progress for each.

2014 Strategy One: Develop a Realistic and Stable Funding Plan	
1.	Align member fees with actual value of membership
2.	Develop FY 2014-2015 budget to preserve reserves and develop new revenue sources
3.	Utilize goals and accomplishments for Strategies Goals 2-4 to develop new revenue and value opportunities
4.	Investigate partnerships with other regional entities (e.g. EBRCSA, SVRIA) to share costs and coordinate regional projects
5.	Develop long-term (3-5 year) funding strategy

Progress in Meeting Strategy One: The Board adopted budgets for FY 2015-2016, 2016-2017 and 2017-2018 with the part-time general manager and limited grant funding model. This has resulted in a realistic and stable funding plan, thus meeting the core goal of this strategy.

BayRICS has consistently generated \$84,000 in annual revenue from member fees (12 members @ \$7,000 annually). To supplement this revenue, BayRICS secured UASI grants of \$59,000 in 2016, 2017 and 2018. These combined funding sources have exceeded the annual expenses of the JPA, currently \$140,000. During this time the reserve fund has grown from \$244,000 to approximately \$262,000 at the end of FY 2016-2017.

BayRICS has obtained a commitment for an additional UASI grant of \$59,000 for 2019, and currently has operating funds to continue through FY 2018-2019 without drawing on the reserve fund.

Assessment of Work Remaining: Although the part-time general manager and limited grant funding model has accomplished the short-term goal, this model has long-term impacts that should be considered in future planning:

1. Due to limited staff time and resources from having only a part-time GM, BayRICS was required to scale-back some operations (described in Strategies Two-Four below). Lack of full-time staff prevents BayRICS from accomplishing more;

2. There is no succession plan for replacing the current part-time GM, and it is unknown whether another individual with the same qualifications and experience would be available on a part-time basis;
3. Continuing to rely on grant funding to pay operating expenses is risky, because the funding is not guaranteed.

We can do more to investigate partnerships with other regional entities (e.g. EBRCSA, SVRIA) to share costs and coordinate regional projects. Likewise, we should put additional focus on growing our non-grant revenues, possibly by expanding BayRICS membership.

<u>2014 Strategy Two:</u> Bridge the Voice-Data Communications Gap	
1.	BayRICS has secured limited grant funding to enhance regional voice interoperability with P25 Fleetmap coordination and BayLoop capabilities assessment.
2.	Position BayRICS to oversee the implementation of future advances in public safety communications technology
3.	Position BayRICS to lead the region through the voice and data convergence transition

Progress in Meeting Strategy Two: The JPA has been somewhat inconsistent in meeting the goals of Strategy Two. We have experienced some success in this category, such as completing the regional Fleetmap, and setting up a robust Radio Operators Advisory Group to address regional concerns. Major accomplishments of the Advisory Group include:

- Development of regional system “key exchange” policy, which is now being used by member agencies;
- Developed and conducted P25 radio test exercises during Urban Shield in 2015 and 2016;
- Review and assessment of the results of those tests to identify capabilities gaps and propose recommendations
- Coordination of a regional Tactical Interoperable Communications Plan (TICP) update in 2018;
- Planning and coordination of a regional ICS Communications Lead (COML) Training in 2018.

However, the BayLoop regional microwave system never achieved its potential, and management of the sites and equipment was handed back to the individual Counties in 2016.

Positioning BayRICS to oversee regional communications systems has also been inconsistent. This is due in part to the time and resource limitations stemming from the part-time GM model. Given the many other demands for time and resources, some of the goals envisioned in this Strategy could not be achieved. Likewise, BayRICS leadership in voice and data convergence has not been achieved, primarily because this transition is only just beginning.

Assessment of Work Remaining: Public safety communications technology has changed rapidly over the past four years. Some goals within this strategy may have been premature, particularly those related to voice and data convergence. At the same time, these and other emerging technology issues will become important to public safety and may require regional governance. Potential areas of emphasis include LMR over LTE, “5G” wireless capabilities, Next Generation 9-1-1, Internet of Things (IoT) for public safety, and encryption, among others. However, to take on these technical issues, BayRICS needs to explore ways to expand limited resources.

<u>2014 Strategy Three:</u> Guide State Efforts to Plan for FirstNet	
1.	Leverage BayRICS expertise and experience to deploy FirstNet <i>first</i> in the Bay Area
2.	Continue to share lessons learned and best practices to State and Federal stakeholders
3.	Communicate our accomplishments in leading these efforts as part of Strategy Four

Progress in Meeting Strategy Three: In 2015, the BayRICS Board directed the General Manager to focus limited staff and resources on achieving this strategy. Therefore, most of the goals of this strategy have been met. After many delays, FirstNet is being deployed in 2018. Considerable efforts were made to leverage our experiences with the BayWEB system to help guide California state planning and consultation efforts. BayRICS collaborated with multiple regional, state and federal groups to share our lessons learned and focus attention on the unique needs of the Bay Area and ways that FirstNet could meet those needs. We conducted extensive outreach campaigns and communications efforts to inform BayRICS members on the status and progress of FirstNet (described more fully under Strategy Four).

Assessment of Work Remaining: The core vision of the FirstNet system changed significantly over the four years since this strategy was initiated. FirstNet transitioned from a stand-alone network similar to BayWEB in concept, to a commercial service integrated into an existing carrier’s service model. Much uncertainty remains about the specific costs and benefits to local agencies and the need for regional governance. It has also become clear that Verizon Wireless will continue to provide competitive services to public safety and it is unknown at this time how these services will compare with FirstNet/AT&T.

In light of this uncertainty, BayRICS staff have proceeded cautiously in 2018, taking these limited steps to continue our work in this area:

1. Developed a list of questions for FirstNet and AT&T to start the conversation about the new service;
2. Continued our outreach (although there has been very little to report on specifics or the service so far)
3. Discussions with AT&T and Verizon for two separate product showcase events to provide opportunity for both carriers to introduce their services, devices, applications and partners to Bay Area stakeholders.

In addition, there will be a need for ongoing regional governance outreach and coordination as these services become available. Additional thought should go into how this strategic goal may be modified or enhanced to meet future needs, and specifically how BayRICS should utilize its limited resources to address these issues.

2014 Strategy Four: Communicate the Value and Benefits of Interoperability
<ol style="list-style-type: none">1. Develop Strong and Positive Message Presentation2. Send the Message3. Reinforce the Message

Progress in Meeting Strategy Four: BayRICS has achieved remarkable successes in this strategic goal. Through a combination of blog postings, web tools, email lists, in-person meetings and participation in regional events, we have successfully kept our stakeholders informed of progress in FirstNet and interoperable communications news and developments. Our outreach work has become a model followed by other regional agencies and we have ongoing requests to add stakeholders. Our email list now exceeds 100 key public safety leaders and thinkers, from within and outside the Bay Area. We have accomplished most of the original goals envisioned by this strategy.

Assessment of Work Remaining: The primary question with this strategy is how do we continue to use and enhance these tools to the benefit of BayRICS and the Bay Area? What types of information do our Bay Area stakeholders need today, and how do we leverage our proven communications tools to deliver that message? The answer will depend in large part on the new strategic goals we develop through this process.

IV. Planning for BayRICS -- the Next Five Years

In order to facilitate the development of new core strategies, the committee first identified the following key BayRICS strengths and weaknesses:

Strengths:

- Funding in-place through FY 2018-2019
- Reserve fund of ~\$266,000
- Active and engaged Radio Operators Advisory Group of Bay Area technical leaders
- High visibility and credibility, both within the Bay Area and with key regional, state and federal policymakers
- Robust outreach and communications model
- Highly supportive Board of Directors

Weaknesses:

- Long-term funding concerns
- Limited staff and resources

- No general manager succession plan
- Uncertainty about FirstNet model, impact of competing services, and need for regional governance
- Uncertainty about emerging technologies and need for regional governance

Addressing these strengths and weaknesses, and taking into account the progress made in the 2014 core strategies, the committee has proposed four new strategies:

Strategy One: Staffing and Financial Resource Management

The Committee determined that, although the part-time general manager and limited grant funding model has accomplished the short-term goal, this model has long-term impacts that should be considered in future planning. With this in mind, the committee developed the following strategic objectives for consideration:

- BayRICS Staffing. The Board should consider whether to make changes to current staffing. Possible models include:
 - Continue the status quo, with part-time general manager.
 - Consider a shared general manager, who would work a percentage of time for BayRICS and a percentage of time for another agency.
 - Consider reinstating the general manager position as a full-time BayRICS position (Would require using reserve funds to fill financial gaps in the short term while the GM develops alternate/additional funding sources for the long term).
- Succession Planning. A key consideration in the assessment of staffing models is whether qualified individuals are available to fill new positions. The Board should develop and adopt a succession plan for the BayRICS general manager position that considers all staffing models, before making staffing changes.
- Reduce reliance on grant funding for operations expenses.
 - Investigate partnerships with other regional agencies and radio system authorities to share costs and coordinate regional projects.
 - Set-up formal meetings with radio system authorities and other regional agencies to discuss funding and resource support.
- Develop strategies for growing non-grant revenues, including new BayRICS members.
 - Expand BayRICS membership by encouraging additional Bay Area agencies to join:
 - Members Identified in BayRICS charter that have never joined;
 - Other Bay Area agencies.
 - Others adjoining regions

Strategy Two: Regional Coordination of Voice and Data Communications

After reviewing the successes of the Radio Interoperability efforts, it is clear that BayRICS can continue to provide excellent consistency and communication to members to better understand the challenges and coordinate development of LMR and LTE systems. The committee developed the following objectives for consideration:

- BayRICS should continue to focus its resources on the coordination of interoperability among Bay Area radio systems. BayRICS should continue to support the Radio Operators Advisory Group as a forum to provide technical information and recommendations for regional guidelines for the system operators, as resources allow. The Advisory Group should remain a consistent conduit for information sharing amongst SVRIA, EBRCSA, SF, San Mateo, MERA, and other Bay Area systems.
- As resources allow, BayRICS should monitor the development of new technology solutions and make recommendations for regional policies or governance where necessary. Examples include “5G” wireless capabilities, Next Generation (NG) 9-1-1, Internet of Things (IoT) for public safety, and encryption, among others.
- Advisory Group should be tasked with monitoring the development of FirstNet technology and services, especially the convergence of LMR and LTE systems, and other new public safety applications that enhance the use of LMR by public safety.

Strategy Three: Monitor and Manage FirstNet

The Committee determined that much uncertainty remains about the specific costs and benefits of FirstNet to local agencies, as well as the need for regional governance. It has also become clear that Verizon Wireless will continue to provide competitive services to public safety and it is unknown at this time how these services will compare with FirstNet/AT&T.

In light of this uncertainty, BayRICS should continue to proceed cautiously. BayRICS should manage its limited resources to address these issues without drawing resources away from coordinating voice interoperability and monitoring the development of new technologies. The committee developed the following strategic objectives for consideration:

- Continue support for activities to inform BayRICS members about FirstNet services. Examples include:
 - Identify questions for BayRICS members to start the conversation with FirstNet, AT&T and Verizon about the new services;
 - Monitor the case studies and lessons learned from agencies (both within and outside of the Bay Area) that subscribe to FirstNet services.
 - Facilitate information sharing about services, devices, applications and partners for all carrier solutions (such as hosting vendor showcase events, etc.)
 - Continue outreach and education to BayRICS members as details of new services become available.

- BayRICS staff should continue to serve as an advocate for members to drive improvements to FirstNet capabilities. BayRICS General Manager should continue to serve as the state and federal representative of BayRICS members and the Bay Area.
- Additional research and thought should go into how to clarify and solidify the role of BayRICS in regional governance of public safety data services. Development of regional policies may include:
 - Managing availability of public safety sites and infrastructure that could be used to fill coverage and capacity gaps
 - Regional Guidelines for Priority, Preemption and other local control issues
 - Managing regional deployables and other shared assets
 - Bulk pricing of services and equipment

Strategy Four: Member Communications and Outreach

The primary question with this strategy is how do we continue to use and enhance the successful communications and outreach tools developed by BayRICS to benefit of BayRICS members and the Bay Area? What types of information do our Bay Area stakeholders need today, and how do we leverage our proven communications tools to deliver that message? The answer will depend in large part on the new strategic goals we develop through this process.

The Committee has proposed the following communications goals:

- Continue to use our communication tools within staff and resource limitations to share information supporting the Strategic Goals.
- Enhance the value of BayRICS membership by focusing outreach and communications primarily to BayRICS members.
- Promote our success stories to generate new members and new revenue streams.
- Investigate and develop new communications tools that increase efficiency.