



County of Los Alamos

Council Meeting Staff Report

March 21, 2017

Agenda No.: 2)
Indexes (Council Goals):
Presenters: Harry Burgess
Legislative File: 9266-17

Title

Reconsideration of REDI Net Memorandum of Agreement (MOA)

Recommended Action

During last week's Council meeting (3/14/17), this item was not approved due to a split vote with those voting in favor of the proposed motion not meeting the threshold of four affirmative votes. In subsequent discussions, it has been requested that this item be reconsidered at tonight's meeting, and therefore the same information as previously presented is included in the staff report below. In order to reconsider this item, Council must first vote to reconsider the item, (motion #1), and then if that action is approved, a subsequent motion regarding the subject matter may then be considered (motion #2 is the suggested language for such an action). Each motion/vote would occur independent of the other action.

1) I move that Council Reconsider Approval of REDI Net Memorandum of Agreement

2) I move That Council Approve MOA17-40 With REDI Net for the Purpose of Providing \$67,000 in Funding to Defray the Costs of Operating a Middle-Mile Network

..County Manager's Recommendation

The County Manager recommends that Council approve the Memorandum of Agreement as requested.

Body

County Council's approval of the FY16 Budget included \$80,000 allocated for new regional initiatives as part of Progress Through Partnering efforts. The original Progress Through Partnering effort was developed in response to Council's goal of improving intergovernmental relations within the region. Through the years the program has focused funding to the North Central Regional Transit District (NCRTD), the Regional Economic Development Initiative (REDI), and the Regional Coalition of LANL Communities (RCLC). Staff has evaluated several alternatives for the use of this separate regional funding allocation and is recommending Council consider providing assistance to REDI Net to address an operational need of the network.

REDI Net is a public organization cooperatively established by a Joint Powers Agreement among the Incorporated County of Los Alamos, Santa Fe County, the City of Española, Rio Arriba County, Ohkay Owingeh, the Pueblo of Santa Clara, the Pueblo of Pojoaque, the Pueblo of Tesuque and the North Central New Mexico Economic Development District (NCNMEDD) for operating and managing an open access middle mile broadband network in Northern New Mexico. The network uses fiber optic technology to connect and provide broadband services to community anchor institutions such as schools, libraries, colleges, hospitals, government offices, public utilities, fire and police departments.

Since its inception, NCNMEDD served as the fiscal agent for the Network in addition to providing a staff member who served as the General Manager (GM), running the day-to-day operations of the business. Approximately 18 months ago, NCNMEDD informed the REDI Net Board of its plans to discontinue its fiscal agent duties including providing a staff member to serve as the GM. NCNMEDD subsequently discontinued their provision of services in March 2016.

For the last 12 months, the Board of Directors has stepped up to continue the day-to-day operations of the network. The current Chair has assumed many of the GM-related duties with other members taking on the technical aspects of running a broadband network. Rio Arriba County now serves as the fiscal agent for the Network. However, the Board recognizes they cannot continue to meet the day-to-day demands of the operation nor is it the preferred way to operate the Network and build a successful broadband business into the future. A full-time GM charged with running the operations of the business while reporting to the Board of Directors is needed to position the network to achieve its goals moving forward.

Staff is recommending Council consideration of the attached Memorandum of Agreement that would provide \$67,000 in funding to REDI Net to defray a portion of the proposed GM costs. The MOA stipulates that REDI Net shall hire or contract with an individual or entity to serve as the General Manager to implement policies and strategies approved by the Board of Directors while overseeing the day-to-day operations of REDI Net. REDI Net will contribute an additional \$68,000 towards the total cost of securing GM services. The proposed term of the MOA is one year. The Board has agreed that part of their direction to a new GM will include generating enough new business revenue to cover this operational cost at the end of the agreement term.

The MOA further stipulates that at the end of the term REDI Net shall present to the County, covering the one-year term of the Agreement, financial information describing the use and expenditures of County funding including summary information for the following:

- Financial standing of the organization;
- Overview of new business opportunities generated by the efforts of the General Manager;
- Current status including growth of the network; and,
- Review of how the General Manager's leadership has led to new organizational structure and operations;

The County has a financial interest in the continued success of REDI Net. The original expense of building the network was funded in part by a federal Broadband Technology Opportunities Program (BTOP) grant of over \$10,000,000. Los Alamos County contributed \$400,000 toward the match requirement of the grant in addition to a \$625,000 in-kind contribution of network infrastructure. Should REDI Net the entity fail, each of the individual parties to the JPA would be responsible for paying back to the federal government the value of the REDI Net infrastructure built out in their individual jurisdictions. Staff has participated in the oversight of the Network during this time of transition and strongly agrees that this staffing need must be addressed to ensure a successful future for REDI Net. Providing this type of assistance to REDI Net would also meet the original purpose behind the additional \$80,000 allocated for new regional initiatives.

Alternatives

Council could direct staff to increase or decrease the amount the County is willing to contribute to the cost of securing GM services for REDI Net.

Fiscal and Staff Impact/Planned Item

The allocation for additional regional initiatives continues to be budgeted in the Progress Through

Partnering line item found in the County Manager's Office budget.

Attachments

A - MOA17-40 REDI Net