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Transcript

FirstNet Board of Directors Webcast, Reston, VA, October 1-2, 2015

Joint Governance and Finance Committee Meeting

PHONE COORDINATOR: This is the operator and thank you for standing by. At this time all participants will be on a listen-only mode. I want to remind all parties this call is being recorded. If you have any objections you may disconnect at this time. You may begin.

SUE SWENSON: Thank you, good morning. I apologize to everybody for the confusion this morning. I think we're ready to go now. I want to welcome everyone who's in Reston today and those on the Webcast and those on the line. I'm not present in Reston today due some family medical issues, so I'm going to ask our Vice Chair to help me out on occasion today and he will be presiding over the Board meeting tomorrow. So Vice Chair Johnson, thank you for helping out in my absence.

We have a little bit of a format change for today. As you'll see by the agenda we're combining the Governance and Finance Committee and also the Tech and Consultation Committee after lunch. We're going to do roll call and minutes for Governance. We'll do roll call and minutes for Finance. And then our Secretary Uzoma Onyeije will do a conflicts notification prior to each of the committee meetings. So let me just check for a second Uzoma and just verify that you can hear before I proceed.

UZOMA ONYEIJE: We can hear you fine, Sue. Thank you.

SUE SWENSON: Okay great. So before we move on to the minutes and the conflicts notification I'd like to officially welcome our new CEO Mike Poth. He's been with us for a period of time now, but Mike is our FirstNet new CEO, so Mike welcome. I know it seems belated since you've been around for a couple of weeks - actually a couple of months now. But I wanted to officially welcome you to FirstNet, since this is your first Board meeting.

MICHAEL POTH: Thank you very much.

SUE SWENSON: And then I'd also like to welcome Ed Horowitz and Neil Cox as our new FirstNet Board members. They were officially added to the FirstNet Board on August the 20th. And I know that they've been busy getting up to speed, getting familiar with FirstNet. So Ed and Neil if you're in the room - I'm not sure if you are - but welcome and we'll of course see you at the different committee meetings today.

ED HOROWITZ: Yes thank you, we're here. We're here. Thank you.

SUE SWENSON: Great, great. What we're going to do is we're going to do a little bit of a roll call here for Governance. So Mr. Secretary would you please take the roll for the Governance Committee?

UZOMA ONYEIJE: Susan Swenson.

SUE SWENSON: Here.

UZOMA ONYEIJE: Barry Boniface.

BARRY BONIFACE: Here.

UZOMA ONYEIJE: Jeffrey Johnson.

JEFFREY JOHNSON: Here.

UZOMA ONYEIJE: Teri Takai.

TERI TAKAI: Here.

UZOMA ONYEIJE: Madam Chair, we have a quorum.

SUE SWENSON: Great. And I think before you on the Governance Committee that you have minutes for the last meeting that I believe we had in June. Does anyone have any additions, corrections, modifications to those minutes? (Pause) Hearing none - did someone say something?

JEFF JOHNSON: No hands in here.

SUE SWENSON: Okay, great. I'll take a motion to accept those minutes. Is there a motion?

BARRY BONIFACE: So move.

SUE SWENSON: Thank you. Is there a second?

TERI TAKAI: Second.

SUE SWENSON: Please all in favor please signify by saying "aye."

ALL: Aye.

SUE SWENSON: Any opposition or abstentions? Great, so the minutes are accepted. Uzoma could you make sure that those minutes are available to the public following this meeting.

UZOMA ONYEIJE: We will.

SUE SWENSON: Great. And then what we need to do I think Uzoma is do our normal potential conflicts notification. So if you could proceed with that for the Governance Committee I'd appreciate it.

UZOMA ONYEIJE: Thank you Sue. In advance of FirstNet's October 2015 committee and Board meetings, the management team has provided the Board with an agenda outlining each of the items that will be discussed and decided during the committee and Board meetings. The members were also provided with a conflicts of interest assessment which was produced jointly by the Commerce Department's Office of General Counsel and FirstNet's Office of Chief Counsel.

Providing these documents in advance to the Board members allows them to identify potential conflicts of interest and to recuse themselves from participation if required. We will prior to these committee meetings and the full Board meeting remind all Board members of their obligations related to conflicts of interest, and ask them to identify whether any recusals from deliberations or voting are necessary.

In consideration of the joint meeting today, each member should consider his or her obligations with respect to the appropriate committee, and for some of you that might mean both.

Just to be clear, we are only doing one conflicts notification for both committee meetings. With that said, if any Board members believe that they must now recuse themselves from either or both meetings, please state so for the record. Madam Chair, no one has a conflict that has been indicated.

SUE SWENSON: Great. Thank you very much. I think - do you want to review any further meeting logistics Uzoma at this point?

UZOMA ONYEIJE: The only new - you have mentioned that we were having joint sessions. We're going to take roll separately but for the purposes of closing the meeting and adjourning the meeting we're going to do that jointly. And with that I think we're ready to proceed Madam Chair.

SUE SWENSON: Okay great. Thank you very much Uzoma. Also I would like to announce today that - and acknowledge that we have a new Finance Committee chair. Governor Jim Douglas has graciously accepted the responsibility of taking on the onerous responsibility of being the finance chair. So Governor Douglas, we really appreciate you taking that on. With your background, your government service, your finance experience I think you're going to be able to provide incredible guidance to our financial efforts here at FirstNet, so thank you very much.

JIM DOUGLAS: Well thank you, Sue for the opportunity. We've got a great team here, a great committee, and we look forward to continuing to refine our commitments in terms of FirstNet finances and doing what we can from our standpoint to move this project along. So I'm honored to do it.

SUE SWENSON: Well, I appreciate it. Before you proceed with the finance portion of the meeting, I'd also like to take a moment to thank Tim Bryan, our former Finance Committee chair and Board member, for all of his efforts. You know, he was here at the inception of FirstNet and I think he's done quite a bit to frame the way we look at our finances, how we report them. So I think he's laid a good foundation for you Jim. And I think he's left it in pretty good shape for you to take over. But I'd like to acknowledge Tim's effort. And I want to provide an opportunity for any other Board members to make any comments about Mr. Bryan. I'm sure Mr. Boniface probably has a few words about Tim.

BARRY BONIFACE: Well this is a big upgrade going to Jim Douglas. We're delighted to have him in the seat but we will miss Tim.

SUE SWENSON: Okay. Anybody else have any comments? Chief Johnson, do you have any comments? You've done a lot of work with Tim yourself.

JEFFREY JOHNSON: Yes, thank you Sue. It's always hard to top Barry. I'm not even going to try. Yes Tim will be missed. I mean he brought - especially early - he brought a lot of clarity to how we manage our money here.

SUE SWENSON: Yes.

JEFFREY JOHNSON: And Tim's supreme focus on making it right and making it rational really put us in the position we're in today which is to have a good set of financials and a set that anyone from the private sector or public sector could look at and make some sense of. And Tim was great about holding our feet to the fire about what we actually thought we could achieve and making sure our budget matched that. So I know Tim's not out of our life completely, but he will definitely be missed as the chair. But we're very fortunate we have Governor Douglas and his set of skills to pick that up and continue to carry the flag. Thank you Sue.

SUE SWENSON: Great. Anybody else have any comments about Tim? I don't want to slight anybody in terms of...

TERI TAKAI: Sue this is Teri Takai.

SUE SWENSON: Yes.

TERI TAKAI: I just also think it's important that we acknowledge - I mean Tim had a great contribution to the Finance Committee but I think we also need to recognize his contribution to the Governance Committee overall. I think in the early days as we were going through, you know, many of the interviews and the selection process and, you know, some really difficult decisions around having the right people and the right leadership positions to get us kicked off, Tim was really instrumental in that entire process. And, you know, he facilitated it, but again, just as in the Finance Committee he provided us with tremendous insights. So, you know, I'd like to just make sure that we recognize his contribution there as well.

SUE SWENSON: I appreciate that Teri. I concur with your comments. I think Tim contributed in many, many ways and we'll be forever grateful, you know, for his contributions. And as Jeff said, he's not completely out of our life yet - or as Barry might say, out of our hair. So we'll look forward to continued contact with Tim and his insights. So with that, Governor Douglas I think you're ready to assume your responsibilities as the Finance chair at this portion of the meeting.

JIM DOUGLAS: Well thank you, so much. I hope nice things like that will be said about me when my term expires. But it's been a privilege to know Tim over the last year, to work with him. And I know he's a phone call away if there's any question about the committee's efforts and responsibilities. I want to welcome a couple of new members of the committee. David Mader is the OMB designee who isn't with us this morning, I don't believe.

SUE SWENSON: He's on the phone. He's on the phone with us.

JIM DOUGLAS: I beg your pardon. Well Dave, thanks for calling in.

DAVID MADER: Oh, my honor. Thank you.

JIM DOUGLAS: We're glad you're not shut down.

DAVID MADER: Yes, we are too sir.

JIM DOUGLAS: We were obviously worried about our logistics here, especially the cafeteria, if there were a shutdown. So thank you and Ed Horowitz has joined the Finance Committee. And Ed, I look forward to working with you. Thanks for signing on.

ED HOROWITZ: Thank you, very much. Jim.

JIM DOUGLAS: We'll repeat the process more or less for the Finance Committee but Uzoma since you articulated the conflicts provisions and invited recusals if any, I don't think we need to go through that again. But I would invite you to call the roll.

UZOMA ONYEIJE: James Douglas.

JIM DOUGLAS: Here.

UZOMA ONYEIJE: Susan Swenson.

SUE SWENSON: Here.

UZOMA ONYEIJE: Ed Reynolds.

ED REYNOLDS: Here.

UZOMA ONYEIJE: David Mader.

DAVID MADER: Here.

UZOMA ONYEIJE: Edward Horowitz.

EDWARD HOROWITZ: Here.

UZOMA ONYEIJE: Mr. Chair we have a quorum.

JIM DOUGLAS: Well that's great. We need to turn our attention to the minutes. And the committee has met twice - first at the last quarterly meeting in June and secondly a special meeting in August which we considered and proposed a budget that was later approved by the full Board a week or two later. Any questions about the minutes, any concerns? Or is there a motion for approval?

SUE SWENSON: Move approval.

JIM DOUGLAS: Is there a second?

ED HOROWITZ: I second.

JIM DOUGLAS: Thanks, Ed. Or are we going to die for lack of second?

ED HOROWITZ: All right, I did. I read through them and I understand them.

JIM DOUGLAS: Any questions? Now all in favor of approving both sets of minutes say "aye."

ALL: Aye.

JIM DOUGLAS: Opposed, no. Abstentions? OK. We have accepted them, and Mr. Secretary welcome you to make these available to the public after our meeting as well.

UZOMA ONYEIJE: Absolutely.

JIM DOUGLAS: Madam Chair?

SUE SWENSON: Great. Thank you Jim. You know, as all of you know, we've spent a lot of time over the last couple of years really setting up FirstNet organization from, you know, the governance of the Board to the structure of the organization. But one of the things that all good organizations have today is something called values. And this is a topic that Chief Johnson and I in particular have had for a period of time with President TJ Kennedy. And so this is not something you want to rush into. You want to engage the organization in this process because this is really what guides people every day in terms of what's important.

So I think TJ if you could take us through where we are on the values and just maybe you and Mike talk a little bit about how we're going to make sure that those values are really interspersed throughout the whole organization, and how we're going to live up to those I think would be of great interest to not only the Board but the listening audience.

TJ KENNEDY: Thank you Madam Chair, will do. The core values have been something we've been working for a number of months with the team. And we really started at the ground level talking to

employees, talking to first line supervisors, you know, talking to the management team and in sitting down with discussions with Sue and Jeff and other input from the Board to really make sure that we were focused on the things that were most important to our stakeholders and to us in creating a new organization.

We have this unique opportunity with being a startup independent authority inside of the federal government and trying to do things in a different way with a very defined mission to serve our public safety stakeholders. And so with that we wanted to make sure that the values that we as a management team and certainly the entire organization were thinking about and making decisions with in mind every single day were focused on a core set of values that we could build into our performance plans. We could build it into our actions each day and we could also build it into all of our recruiting efforts to make sure that as everyone comes on board, and as we look at our actions each day that they reflect on these core values.

As part of that discussion we had some additional values on our list that we looked at. But I want to go through where the organization as a whole came to together for six core values that we think represent where we want to go as an organization and want to have a conversation today with the Governance Committee and the Finance Committee for any other input on that so that we can solidify this going forward as our key core values for the organization. And as Sue said it's not something we've rushed into. It's something we've had a lot of discussions about. And I think it's really important and so we'll just kind of walk through these this morning.

So the six values that we came up with through those discussions starting out with customer service, openness, entrepreneurial, reliability, innovative, and results-oriented. I'm going to kind of walk through these in a little more detail. And I think it's important as we looked at this that we also defined behind each one of these what does this mean from a day-to-day perspective because they're not just words.

And for us when we talked about customer service, you know, we are serving a public safety constituency that works 24 hours a day, 7 days a week. And we need to make sure that our systems, our responsiveness, meets the demands of public safety and that we build that capability into all of our customer service elements across the organization and that we're very responsive, and that we're responsive to having the kind of quick decision-makings, resolutions of technical problems, collaboration across the organization to solve issues as they come up, and respond to that.

And so we wanted to put customer service front and center. We actually a few months back brought in Chief Johnson and met with the entire organization and talked for a few hours about his history and focus on customer service and what he's been able to do across organizations and put that in the minds of fire fighters as a terrific example. And we really had a great discussion as an organization with Chief Johnson about that and how important that is going forward. So we thought this was front and center for a key core value for FirstNet as an organization.

Openness. As we've all talked about over the past two years, having that openness and transparency is a key element of our act. It's a key element of these public meetings and our discussions and being able to share information freely and openly with our stakeholders and to have that kind of two-way communication, both listening, taking in that consultation and that input, and much like we're doing today where we share information not just in the meetings but putting things online and making sure that we're distributing information freely and throughout both the public and our organization.

We try to model this every single day with what we do inside the organization. We try to act in a very flat manner and communicate and try to over communicate in some cases, and share information across the entire organization on day-to-day activities. And so I think both of these really reflect what we're doing and where we want to continue to grow and focus on going forward.

Entrepreneurial is something you probably don't hear day in and day out on government projects or in different agencies. But I think FirstNet is different. I think the startup culture and mentality has been something that we've modeled, and tried to embrace as part of what we're doing. It keeps us focused on having more efficient ways than sometimes the bureaucracy that we can run into.

But most importantly is finding ways to execute day in and day out and get things done as part of that and to be willing to fail in small ways to be able to succeed in big ways. And I think it's important that we allow our team to come up with new ideas that are outside the box and just have that overall spirit of being in that startup mentality and coming up with new ideas. And I think that can come from anywhere in the organization. And it's important for us in management and as a Board and so forth to embrace those kind of good ideas and new ideas that come forward. And I think it's a key part of what we're doing.

Reliability - committed to the mission, really being accountable for what we're doing, that public safety can count on FirstNet to deliver with them, for them, that we can be counted on when we deploy a network in the future as well to be reliable, but that when people ask us to do things we do what we say we are going to do.

Innovative. A lot of what we've done over the past year in building the approach to partnering and getting offerors to the table is trying to look at ways through an objective based procurement that allows innovative ideas to come through that, and to not be overly prescriptive in some cases and to pursue the solutions and the outcomes that we're looking for in creative ways.

And I think that's very important in what we're doing in FirstNet because it hasn't been done exactly this way before. It's something that we have to look at and embrace new ideas and new approaches to it. And so trying to be innovative in all that we're doing and in the future, how applications and the technology will be able to ensure public safety can be effective and more efficient is also critical.

And lastly is results-oriented. I think you've heard Chair Swenson certainly talk about this. We are measuring ourselves and our team on our results. We're being honest with ourselves when we miss targets. And we're rewarding good success and producing results that are high quality and on time and on budget.

And these are the kinds of things that we want to emulate every day throughout the organization and really focus on the team work to get the performance that we're looking for. So went over these fairly quickly. Mike, I don't know if you want to add to that.

MICHAEL POTH: No and we can't state it enough that customer-driven focus is where we're at. This organization and the organizational alignment is evolving. As everyone knows it started very tactical; it had to with one or two employees, three, four, five. So it is getting completely engrained into the organization and all the decisions that we make.

You know, so we focus on our alignment, better customer interactions. We've made a lot of progress over the last two years but we're not satisfied. And I can already tell with the organization and the teams, they're very focused on getting to that end mission for the customers and that they stay customer driven. So this is the core values. It's actually displayed all over our offices. And it just should resonate as kind of a water mark in all the decisions that we make. So it's very exciting. I appreciate what TJ and Chief Johnson and everyone's done to this point. It is a ground up thing. It isn't something that TJ and I just drew up on a board and said this is what it is. The organization came up with this and believes it and is trying to, you know, execute to that in every decision that they make. So I think this is a great start but we're not done.

JEFF JOHNSON: Just a question/comment I guess. First I want to thank Sue for being, you know, one of the first people to focus on the most important part here which is we do need an entrepreneurial culture. Said another way - and you try not to be offensive when you say this - but we need a non-federal culture.

That's what we need. We need a culture that finds solutions and innovates and focuses on the customer. And remember that we're serving people that need it now, and when they need it matters. And that's not the kind of world where you can wait two weeks for toner and fill out nine pieces of paper and pack it around the building.

This is a "right now, let's get it done" deal and we don't mean our emphasis on innovation and being entrepreneurial, we don't mean that to bother or offend anybody. It's not who's your employer. It's how you act in your employment. And that's a choice each of us gets to make. And we just don't want to lose that. I know the cops, fire fighters and paramedics on the street, they need that, expect it from us, and I want to congratulate the staff for putting this down in a format that we can see and something that's easy to follow and remember every day. So thank you

TJ KENNEDY: I also want to thank Sue, you know, her leadership in talking through this and really keeping the focus. One of the great things for each one of these core values is you can take almost any decision or any action every day and really reflect back on are we meeting them. And it really gives a very easy way for the team to be looking at that, for the leadership team to be looking at that, and for all of us to stay very focused. So it's been an excellent series of discussions and an exercise and it's one that I think will pay dividends 24 hours a day going forward.

SUE SWENSON: TJ could I just add to Chief Johnson's comment if I could. I just appreciate all the work that you and the rest of the team have done on this. I think this becomes a foundation and I think the employees who work at FirstNet can hold each other and the leadership accountable to these values. It's something that we'll continue to check in on to see how we're doing.

I also think from a leadership standpoint as people look to progress in the organization I think these are the values that we'll be looking for. So it's not just about what you do but this is more about how you do it. And I think these are going to be important components that will - I think to really be real and not just words on a piece of paper, people are going to have to see them woven throughout the entire organization and in everything that we do.

So I think the good work has been started and I think the real work begins now to make sure we get - this is not words on a piece of paper. So thanks for that and I think we have a good foundation to build on. So I appreciate all the work. And TJ you were central to that and I know you and I had lots of discussions and went back and forth. So I appreciate your patience on the topic.

TJ KENNEDY: No it's been actually rewarding from the perspective that this may not sound like it's a hard exercise but I think it really is to have very meaningful values that are something that the team can really utilize in a day in and day out basis in both strategic and tactical decisions.

SUE SWENSON: Right.

TJ Kennedy: And I think it's been good.

SUE SWENSON: Any other comments from any of the other Board members? I know you've all had experience with this kind of work probably in the things that you do. Any words of wisdom for the management team on this topic?

TJ KENNEDY: Got a thumbs up from Governor Douglas over there.

SUE SWENSON: Okay, all right. All right let's move on then to rules of conduct - another foundational item. We have Natasha Coates with us today who's one of our attorney advisors. And she's going to take us through the rules of conduct. And this is not only for the employees at FirstNet but just for the Board members who are present today. I think it's important to understand this applies to all of us as well. And I

think Uzoma you also have some documents for Board members to sign once the presentation has been done, assuming that they concur with these rules of conduct. Is that correct?

UZOMA ONYEIJE: Yes, they'll be signing them today.

SUE SWENSON: Okay great. So Natasha do you want to take it from here with the rules of conduct please?

NATASHA COATES: I do Sue and thank you. Good morning to everyone. I'm excited to speak to you today about FirstNet's recently implemented rules of conduct document. So I think TJ's presentation really was an excellent segue into this topic, because both endeavors really do share some commonalities and they're very important to our organization and what we stand for. To help place things into perspective I wanted to begin with a timeline of how we arrived at the rules of conduct. So in the spring of 2014 FirstNet's senior management compliance committee developed a plan for implementing a number of policies and procedures which included this rules of conduct document that we're talking about today.

And so fast forward to exactly a year later and the U.S. Government Accountability Office - or the GAO - they issued a report on FirstNet's internal controls. And in the report the GAO urged FirstNet to move forward with implementing the rules of conduct as soon as possible. And so today I'm pleased to report that that document is in place, and all FirstNet staff have been trained on the rules of conduct.

Now that you have a general understanding of the timeline, I want to delve more into the substance of the GAO's report and then ultimately I'll delve into the content of the rules themselves. So as I mentioned, the GAO issued its report on FirstNet's internal controls this past spring - April 28 to be exact. And in its report the GAO acknowledged that FirstNet had done a lot in the way of internal controls. They specifically acknowledged that we implemented a number of policies and procedures.

They specifically cited to the Board time keeping policy, and the travel policy that I know all of you are so very familiar with. But what they also urged us to do again was to move forward with implementing this rules of conduct document for a number of reasons, but primarily because having that document in place really does put staff on notice with respect to their ethical and behavioral conduct obligations.

So this past summer as I mentioned, the Compliance Committee did implement its rules of conduct document. And the document itself is a very cohesive and comprehensive guide to all FirstNet staff with respect to their ethical and behavioral conduct obligations, which is exactly in line with what the GAO recommended and which is exactly aligned with the plan that the Compliance Committee had in place stemming back to the spring of 2014.

So now turning to the rules themselves, really the key theme in the rules of conduct is that because FirstNet is a federal entity in the federal government, its federal personnel are subject to all applicable laws, regulations, policies and so forth on ethical behavior and conduct.

And when I'm referring to the term federal personnel as Sue said, these rules really do apply to all levels of federal staff at FirstNet. So our Board members, our senior management team, supervisors and again all levels of federal staff. At FirstNet, federal personnel are subject to federal ethical statutes. To give you an example - 5 USC 7353 establishes the gift rules for federal employees. We're also subject to ethical conduct regulations. As another example 5 CFR Part 2635 - those regulations lay out the standards of ethical conduct for employees in the executive branch. We're also subject to executive orders on conduct. As an example, Executive Order Number 12731 lays out 14 principles of ethical conduct that apply to government officers and employees in the federal government. And of course at FirstNet we're subject to our own policies. And so the Board time keeping policy that I just referenced and the travel policy, those are examples.

And finally at FirstNet we are subject to Department of Commerce and NTIA policies as applicable. And so to give you an example, many of us use IT resources on a day-to-day basis to conduct our official duties. And so when we're using those resources we are subject to the Department of Commerce's IT rules of behavior, which basically lays out the acceptable uses of IT resources in the Department of Commerce.

Now given just the sheer scope of requirements that we're subject to, I've laid out here statutes, regulations, executive orders. It's a lot. And so when the Compliance Committee was putting together these rules of conduct, they really wanted to keep it simple. They wanted to facilitate compliance. So one of the tools that they implemented was, in the document itself, several of the authorities that I just named and many others are actually explicitly referenced in the document.

So if you happened to be viewing an electronic copy of the document you could easily click on the hyperlink and that will direct you straight to the authority, so you can read up on that and learn the obligation.

Another tool that the Compliance Committee implemented to again facilitate compliance was they developed seven tenets as we like to call them that basically just summarized the overarching ethical and behavioral conduct requirements.

The first tenet is conflict of interest avoidance. And what that essentially means is that at FirstNet we avoid any actual or apparent conflicts between our own personal interests and the interests of the agency. So to give you an example, one of the ways that we do this, is that we file our financial disclosure report on time with the Ethics Law and Programs Division so that that office has an opportunity to examine our personal financial situation and evaluate that against the interests of FirstNet.

The second of the seven tenets is opportunities for everyone. And what that means is that at FirstNet we do not discriminate against anyone on the basis of age, race, gender, and so forth. To do so is not illegal but again it's absolutely counter to what we stand for as an agency.

The third of the seven tenets is notifying investigative officials when appropriate. And so what that means is that we promptly report allegations of fraud, waste, abuse, and other forms of wrongdoing to the appropriate authorities. And should an investigation flow from those investigations, from those allegations, we participate fully in the investigation.

Disclosure of information is the fourth tenet, and this one is key here at FirstNet. What that means is that at FirstNet we do not disclose information that we are not authorized to disclose to individuals who we are not authorized to disclose it to.

And so to give you an example at FirstNet many of us - just like employees across the entire federal government - may have occasion to work with source selection sensitive information or sensitive, personally identifiable information or PII. We've been trained on how to handle that information and we know the disclosure rules that apply to those types of information.

The fifth tenet is use of resources and in short that just means that we are responsible stewards of government and environmental resources. And while I could give several examples here, I'll give one just with respect to being responsible stewards of government resources.

So many of us, the Board included, we may have access to government travel credit cards or government purchase cards. Again we understand the rules that apply to using those cards and we understand that our expenditures and our purchases always need to be authorized.

I tend to just read the last two tenets together, and they are customer service and teamwork. And when read together, they essentially stand for the principle that at FirstNet - as TJ just said - we work together as a team to meet the needs of our internal customers in the public safety community.

And I have to say that's really a concept that Chief Johnson and Sue have absolutely been advocates of during their many discussions with FirstNet staff with respect to putting the customer's needs first.

So before I turn to the last slide I'm sure that you all can tell that the very first letter of each of the tenets comes together to spell the word CONDUCT. And again this is another tool that the Compliance Committee used to facilitate compliance and to keep it simple.

So in summary, the rules of conduct bottom line - why are they important? The rules are important because again they put federal staff on notice with respect to their ethical and behavioral conduct obligations. And by staff adhering to those rules, they gain not only the trust of the public, but again the trust of the public safety community and our internal customers. And what that does is it essentially allows us to focus on executing this critical and very important mission that we have ahead of us.

This concludes my presentation. Do you have any comments for me?

SUE SWENSON: Any comments by the Board or management in the room?

JIM DOUGLAS: Sue I have...

SUE SWENSON: You know I - go ahead. Go ahead.

JIM DOUGLAS: I have one question Natasha. The IG's report - one of your earlier slides mentioned that we need to develop standards which you've done, and evaluate performance against them. I guess my question is how do we ensure that we comply with that part of the report, the compliance part?

NATASHA COATES: That is an excellent question. And so when FirstNet management evaluates their staff, they can evaluate their staff by evaluating how they've complied with laws, regulations, policies. And the rules of conduct would be just be one example of a document that the management team can use to ensure that their staff have complied with their responsibilities.

JASON KARP: Yep. Hi this is Jason for those on the phone. I just wanted to add - and I want to thank Natasha for all her hard work in putting this together - but if the Board remembers, you know, I think it was almost a year ago back in December where we provided one of the initial briefings on FirstNet's approach to compliance and a compliance program and really wanting to establish a culture of compliance.

And I really see these standards of conduct, rules of conduct dovetailing so nicely with TJ's presentation and the core values, and as you can see one of the core values is actually repeated in the standards of conduct because it is so important, the customer service element of this.

And our goal has always been to establish an absolute culture of integrity beyond reproach. It is part of what we expect of our employees. It's part of what our constituents and stakeholders are going to expect from us. And we wanted to do it in a way that folks can relate to, you know, that's easy for them to comply with.

You know, so as part of, you know, our general performance process there's going to be an annual review process and the rules of conduct are going to become part of that process to ensure that we're measuring success against it.

In addition I think as Natasha noted we've trained all employees and it's become part of the new employee orientation program. So they are trained on all the rules of conduct when they enter FirstNet service. And so it's something that really we see as being engrained along with the core values as part of our culture. And it's something we need to start living - you know, living every day. It's not just a document that we're going to refer to but it's really - it's about setting the tone not only at the top but through the middle and all the way through the organization for how we behave every day.

So I think this is a really good first step and really embodies some of the work we're trying to do in implementing a robust compliance programs within FirstNet.

SUE SWENSON: Hey Jason, I have a question for maybe you and Natasha and that is at the very beginning of Natasha's comments, you know, this really originated as a result of the GAO report. And I just wanted to check to see did we check in with them to see if what we've done is going to meet their expectations?

JASON KARP: Yes it's a great question. And actually I'll make one correction because I think it's an important distinction and actually - and I think Natasha noted this - is we kind of initiated the concept of the rules of conduct long before the GAO had ever come in to FirstNet. This is something that we always thought was important to develop, something that was specific to FirstNet where we could really embody our own culture.

Now, you know, as a general matter without our rules of conduct we're already subject to all of the various rules and statutes that are identified there. And so really what this does, it kind of brings them all together in a way that makes them easily digestible. So then when the GAO came in, we had several discussions with them about our intent to do this. And I think we really gave them the idea to push this forward. And they thought that this was an important step for us to complete. So we have followed back up with them on our action plan and how we intended to do this and implement our steps. And we did talk to them at length when they were performing their audit about kind of the expectations. I don't know if they've actually seen the final document but I'm fully confident that what we have done is very consistent with their expectations and our discussions with them.

SUE SWENSON: Great. Well I think that's an important step like you said. You know, this was maybe a little more informal than I think maybe people are used to, and so we've really formalized what we were doing to begin with. And I just want to make sure that all that good work is actually recognized and accepted by those who audit us because, at the end of the day we have to make sure that that occurs. So I'm sure you'll take care of that.

Natasha, thank you for the - and thank you for the Compliance Committee for making it simple. I do like the idea of the CONDUCT. It'll help us remember it. You know as I was looking through the document before I signed it -- because I do tend to read all documents before I sign - you know, those hyperlinks, you know, having that in the document will be helpful if we ever want to reference it.

So, Uzoma I'm sure you'll see that you get the proper documentation from the Board members on the rules.

UZOMA ONYEIJE: Absolutely.

SUE SWENSON: Any other comments or questions on this particular topic? Great. Thank you Natasha very much. I appreciate the presentation.

Moving on, we're going to have an administrative and IT update. I know that the team has been working incredibly hard frankly for the last year to get our facilities and our IT in sync. And I believe later today Mike and TJ are going to - along with the rest of the staff - going to spend some time going through the new facility.

And I think it's important to get an update on what's happening on administration and IT. So Frank Freeman and Jim Gwinn, you're up.

FRANK FREEMAN: Thank you Sue. It's always very hard to follow Natasha Coates when she briefs, because she's such a professional and polished briefer. You know, me - I normally follow the Governor Douglas humorist improvisation you know that technique is a much better technique. So that's what I normally do. But thank you Board members for allowing me to give you a quick administrative update.

I'd like to start off my brief where we always start off - our number one priority, which is hiring people and the FirstNet staffing. We took a journey about beginning in March of this year to really laser focus on bringing the timelines down, on bringing these highly qualified candidates that we need on Board to FirstNet. I had some long partnering sessions with the Department of Commerce in particular Kevin Mahoney who's the director of the Office of Human Resources Management, and with some of my counterparts at NTIA, in particular Len Bechtel who's the CFO and heads their administrative functions.

Together we went step by step through all processes and we were able to eliminate a lot of processes that we thought were redundant and removed, review steps that we felt really didn't give us the value versus the time that it took to go through the review processes. And we've seen just from those process improvement steps significant improvements in the timelines of hiring individuals. In the beginning we were noticing that on average a hiring was taking about 170 days. With the partnering that I did with DOC and NTIA, we're now seeing those hiring actions down to about 130 days. And the more recent actions I'm seeing, I'm getting down to about 100 days. So we're making significant improvement on that.

Another thing that we did was we and my staff really focused and worked with the HR specialists at the tactical level in following each hiring action through each step of the hiring process. In doing that, we found out that, you know, there was a better way to optimize the work load of each hiring specialist so we can keep packages flowing, and we identified choke points in the process. And once we found those choke points I was able to bring the sledgehammer to them, to break up those choke points.

Another thing that we did was worked with the Office of Human Resources Management to get us more staff to align us with the actual work load that we knew we were bringing down the pike. So we got some additional contractors. They're hiring some additional civilians. And we also established an agreement with OPM to do some fee-based classification and staffing. And those items helped us out also.

So if you remember last June I came to you all and I briefed to you all what we said were 62 critical positions that we needed to get hired before the end of the year. At that time we had 26 in the final hiring stage. Fifteen were currently being advertised, and 21 were still in the pre-recruitment phase. As of 9/21 we now have 54 positions in the final hiring stage. And out of those 54 positions, 46 of them we already have brought on board or have entrance on duty dates. About three or four of them we have selections made. We're just going through the security process and the on-boarding process to bring them on board and then we have another five that the hiring officials are conducting final interviews with.

And you're probably asking me well that doesn't add up to 62. Well there were two other positions - I saw you raising your brow Governor so I said let me clarify that...

JIM DOUGLAS: The Finance Committee monitors all numbers.

FRANK FREEMAN: So there were two positions that the management felt that needed to be reclassified and so they pushed those positions to FY16. The other six positions we actually went through the hiring process with them. And we were not able to bring someone on board either because there was no selection made - the hiring managers did not feel they had a high enough quality candidate to make a selection - or we did make a selection and then in negotiation with the employee we couldn't agree to terms to bring them on board. So that rounds out the 62.

JEFF JOHNSON: Frank a comment for you and the executive team - I know I'm not the only one that sits on this Board that appreciates getting it right rather than getting it fast. We want it right and fast, but we don't want to have to pick between the two of them. So I appreciate you make sure that we have the highest standards in who we're hiring. Quality attracts quality. And the kind of organization we need to build needs the highest quality people we can attract. So I'm glad you just don't take them at the end if it's not right.

FRANK FREEMAN: Yes and that's a great point. And we encourage our hiring managers that if you did not find that qualified candidate in your pool, let's go back to the drawing board. Let's rewrite the position description and the job vacancy to see was there something that we didn't do that attracted the right candidate? Let's use some other avenues like let's go beat the bushes first. Find those candidates first, and then when we advertise, we can steer them to the advertisements to make sure we have those qualified candidates that we want. So yes, that's a good point. And on top of that we're going to bring on some additional resources in FY16 to help us develop that recruitment stage, those very formal recruitment processes so that we can try to identify those candidates and then steer them to the job vacancies as they become available. So that is a very good point.

TJ KENNEDY: One other note on the ones that we didn't necessarily get and the six there as well - the majority of that is typically where you get down to either you lose a candidate because they have an outside offer for more money, or in some cases they have taken an offer that has come through quicker. And so those are the two things that we're certainly up against there. Some of that we can fix and some of that we can't. But typically it's you're going for a competitive candidate. We see this often in some of the key technical positions and others.

ANNISE PARKER: And hi Sue. This is Annise Parker. I'm just monitoring this committee; I'm not on the committee. But you answered one question as to why we lose them being on the government side. And you made me feel a whole lot better about city hiring because I thought we took a long time. But that's from posting to actual hiring?

FRANK FREEMAN: No, no. That's from receiving the package from the hiring manager to actually bringing them on board.

ANNISE PARKER: So what is the actual process? I mean because you have - you develop the posting. You have to post it for a minimum period of time...

FRANK FREEDMAN: Right. So first...

ANNISE PARKER: We had to - most of our hiring at the city, we have to post for a minimum of 30 days.

FRANK FREEMAN: Right. So...

ANNISE PARKER: Is that added on to the...?

FRANK FREEMAN: Yes. No, no that's a part of the timeline.

ANNISE PARKER: The whole timeline. I was just trying to figure out...

FRANK FREEMAN: So the hiring manager has to give us a requisition saying this is the type of person that I want. And then the HR specialist has to classify that position and say okay based on the job duties that you said we think it's about this GR series. We think it's about this grade. And they work back and forth with the hiring managers to get that agreement. Then the job is posted. It goes for that posting. Then it comes back. The HR Specialist has to review all the candidates that applied to make sure they have minimal qualifications for it. And then sometimes we turn it over to a subject matter expert who further

refines the list, pass those lists for the hiring managers and they conduct the interviews, make their selection. Once they make their selection those people if they didn't have a clearance, they're coming in from the private sector, they've got to get their clearance processed. All of that goes through and then we bring them on board. So that 100 days includes that entire process.

ANNISE PARKER: Okay. Now I feel even better about my hiring processes at the city. But I assume then though that once these positions are established and they have to be refilled, the hiring is much compressed. You don't have to...

FRANK FREEMAN: Right, because...

ANNISE PARKER ...go through the first half of that.

FRANK FREEMAN: Right because a lot of times we've already had - when we already advertised the position, then the reclassification and that part is a lot quicker. Right, so...

ANNISE PARKER: Thank you.

FRANK FREEMAN: So in FY...

KEVIN MCGINNIS: Frank, I'm sorry.

FRANK FREEMAN: I'm sorry.

KEVIN MCGINNIS: It's Kevin McGinnis, Sue. And while I'm not on this committee either, I feel compelled to add that I have been involved in tangentially in like four hiring's in recent times. And not at any one point did I feel it necessary to say, "Well, you know, it's a federal process", because the candidates were content with the process. So good going.

FRANK FREEMAN: Thank you, thank you because that's great feedback.

So in FY16 we're going to continue with the process of bringing in those qualified candidates. One thing that our fearless leader is going to do is he's going to take a look at each department and have us reverify the positions that we have, and the positions that we need going forward to make sure that they're in line with our organizational goals, and what deliverables we have to do in FY16. So that will begin very shortly.

And then from the positions that we have projected, we're going to expand on doing what, you know, we've always advertised as FirstNet's top priorities which was getting the acquisition out and doing our consultation activities.

So we have key leadership positions that we need to fill; you know, we still have to do our Chief Technical Officer, our Chief Counsel, Chief Financial Officer, a Deputy position, you know, those top leadership positions we still need to fill in. There's a lot of consultation expertise that still needs to be rounded out and regional outreach experience that we'll need to be hiring in the future. Our CTO buddies Jeff Bratcher, and them, they have a lot of engineering and technical specialties that they still need and a variety of their fields of application, devices, standards, core. So we'll be working with them to try to bring those people on board. And then in my own shop, you know, I still have some vacancies in the HR arena that we're trying to fill and bring on board in the early part of 2016. So that's the challenge we have ahead in 2016 but we feel that we're definitely in a better position with all the work that we did in 15 to streamline the process to make that goal a lot easier.

So let me just switch gears real quick to talk about our headquarters update. As you all know on August 31, we moved into our new space -- whoo; very happy about that. Sorry, that was my Air Force...

JEFF JOHNSON: For the minutes, how do you spell that?

FRANK FREEMAN: W-H-O-O - so we're very happy about that. We think we have a very open and collaborative space and we're looking forward to showing everybody at the open house today of a lot of the very innovative ways we put that space together. There's really - one thing you'll see that there's no unused space in that space. If there was a space we found something to do with it and we're pretty proud of that. We incorporated a lot of - my friend here is going to tell you all about the new - for the people on the phone I patted Jim on the back - all the new technologies that we're incorporating into our new space, and we'll be briefing all of that soon. We do still have some additional space that we need. The space in our main area houses 119 people, so we'll be adding additional space in the near future to accommodate expansion in our FY16 hires.

Do I have any questions?

SUE SWENSON: Hey Frank, this is Sue. Going back to the HR, I really appreciate all the work that I know you, TJ, Steve Fletcher probably needs to be mentioned as well, you know, working with NTIA and the Department of Commerce, the work that you've done. But I think it's important to mention that there still is a lot of manual processing of the HR process; a lot of walking around of documents. And I think we need to continue to press on making that a more streamlined, more automated process versus the kind of hand-holding that I know is required. So you guys are doing an incredible job but it's still I think too labor intensive. And TJ, I don't know if you want to comment on it, but I still think there's work to be done here.

TJ KENNEDY: Oh no doubt there's still room for improvement. And I think that we've taken the low-hanging fruit and we've really done a much better job of having the team manage where all the processes are each day, and I think that's how we received the improved results to date. I think automation, and I also think, you know, making sure that we have control of certain parts of the process so that we can keep things moving is critical. And I know we have cooperation from the department and others to work together on that and I think that will make more improvements in FY16.

SUE SWENSON: Yes and I just have to comment. I mean I don't know who is going to testify at the next hearing but I don't know that the members are going to be all that satisfied with, you know, even the numbers that we have today, so just to comment on that. I think we've tried to streamline it but there's only so much that can be done.

Frank, thanks for everything you've done and your team. And again, I wanted to mention I know Steve Fletcher has been involved with you on that so I appreciate his support.

Jim, you've been very active in this new space and making us come into the current century on communications. Why don't you give us an update on that?

JIM GWINN: Thank you Sue, and thank you committee members. I'll try to provide a very brief update and warn you on the front end, my presentation style is a little different -- a little less enthusiastic than Frank's, as you would expect from somebody in the technology realm I suppose.

What I wanted to do is remind everyone of kind of our overarching objective here that kind of overlays everything we're doing in our IT infrastructure and the progress and the work we've done to date. If I could describe it very briefly in a sentence, it's to provide collaboration anytime/anywhere. It's really to build the capabilities across our workforce that enables them to do their jobs most effectively, and done correctly, IT is nothing more than a catalyst to that end and that objective.

So with that and the collaboration, I'm looking to do that in the realm of unified communications; providing integration that's on premise, and off-premise or cloud-based services across our workforce, providing mobile capabilities anywhere that it's needed, providing stability through connectivity that's redundant that

allows us fail over capabilities in crisis times, and allows us to effectively collaborate, again, without regard to where you are.

To do that, you have to integrate your back office suite of products, you've got to take your mobility suite of products and put those together and hopefully bring in all of the very nice audio/video capability some of which you'll see when we go upstairs today.

Predominantly we've been focused in the recent past here with bringing up the Reston space as Frank described. And we're about to move into Boulder to try to upgrade Boulder and we'll build some technologies there that I'll share on the next slide. So kind of taking you through this, I wanted to step back and kind of give you the where-we-were to where-we-are to where-we're-going view of this.

When we first moved into this space here in Reston, we were leveraging DOI's network. So literally, we just came in, they gave us the network to use, gave us some phone sets to use, and we took what we had and made due. From that, you know, in Boulder we have some DSL lines out there; been doing most everything we're doing off the DSL lines there. And we've been fully leveraging and utilizing what the Department of Commerce and NTIA Information Technology has made available to and for us.

So from that was the foundation from which to start. First of all, I should say we're very appreciative of all the support we've received or I've received personally from the IT organizations both in the Department of Commerce and in NTIA. Today what we've done is we've moved off of the DOI network here, so we've moved to our own commercial network; connected that up with a redundant path in case we fail on one side, we can go to the other. We get access via that connectivity between Reston and Boulder. We will have that set up via the backbone the DOC has if we don't want to build a separate backbone.

We've put network into Boulder as well, and then we've built a data center component and we built our data center components in the Department of Commerce downtown. So we're connected from here to downtown in the hardened data center, and we're connected from Boulder to downtown in the hardened data center. That's the long-term plan; Boulder still has a little work to do so I'll talk about that in a minute.

We've built wireless capabilities here in this space. We do have access points that you can actually - I can take my laptop out of its workstation and walk anywhere in our space upstairs and it stays connected. I can use click share capabilities to do all of our presentations wirelessly and we're working on getting all the audio/video capabilities interconnected today.

We also installed a new phone system. So if I could kind of switch gears a minute and talk about the network side of things, we went from a circuit-based network in our spaces upstairs over to a voice over IP. So we have IP-based phones, we're putting IP-based phones -- we've already tested those in Boulder. So I can dial Jeff Bratcher's extension in Boulder, for instance, and just dial four digits and connect with him; I don't have to dial a 10-digit phone number. It's just like he's sitting down the corridor from me. So that's the way technology, in my opinion, is supposed to work. It's supposed to be easy for the users, and if we do our job effectively, you don't know who I am. Which is the way it is supposed to work.

So where are we going and what are we doing? In the coming months, we're going to stand up - and I should mention, we've already stood up the initial implementation of our CRM; we did that this past week. Amanda Hilliard's User Advocacy Team, the Outreach Team has already started building contacts in it. They're doing train-the-trainer this week I believe; they're finishing that up, and we should be ready for our next phases of that. So we do have some additional phases to do there but we do have it stood up and ready to go.

And we've got the foundational premise working with our partners in NTIA done to move to the cloud servers and the Office 365 Suite of products that will move our mail and all of our applications, many of those into the cloud bridging our own prem again with our cloud service which is the overarching objective here.

So tomorrow I've described some of what we're going to do. We're going to finish out the voice over IP in Boulder, get that fully deployed. I intend to do that in October. It could lead into November depending on any technical issues that tend to arise that you don't know about until they show up, hence this morning.

We will take our VTC and wireless presentation components and we're going to build those out again in Boulder. I want to be able to interconnect Boulder very directly. We have some of that connectivity in place today but it still has work to be done there to get it completely out there. We're going to fully, as I said, implement our CRM implementation and it will be migrating all of our email and application products that today NTIA supports us on. We'll be moving that over to our own domain. So that's in the coming months and we look forward to that challenge.

JEFF JOHNSON: Jim, a quick question. I know we have little-to-no wireless service in this building. I know this isn't our building, but it's a problem. And is that on anybody's horizon?

JIM GWINN: It's on my radar and I'm glad you asked that because I should have mentioned it. What we're doing, we've actually gone - the building has been trying to get it, from my understanding, I've been told 12 years. So that's a long time. If you pull out your cell phone right now it's not going to work.

In our space though, we will have that. We've already got the equipment installed; we've got the cabling done. We've got the antennas on the roof believe it or not in a federal space. We actually had to have - the building is owned by GSA and GSA had to work with the provider. And a lease had to be negotiated and had to do testing on emissions and all kind of things before we could even start the process. We've been pressing that very hard in the new space. And my expectation is before the end of this month, we will have wireless services for LTE and cellphone service in our space here in Reston.

JEFF JOHNSON: Thank you very much. It was going to boil down to asking Jeff Bratcher to hook onto that cow in Boulder and drag that thing out here.

MIKE POTH: And I'd like to, you know, with Jim and Frank's teams did, and we talked earlier about core values and one of those being accountability and reliability. And they said, you know, about second day I was here, that we were going to move in on August 31. And when we move, everything will work and your computers will work and everything, and they worked tirelessly -- their teams nights and weekends. And they stood that area up quickly. And we're really excited to show off the technology. It is enabling a lot of breakout sessions. It's not unusual to walk down the halls and clusters of three or four or five. Sometimes I think there was 10 people stuffed in a five-person room working on, you know, the project. So it's a great foundation. But it was an unbelievable amount of work and our leaders epitomize, you know, they took the responsibility, they drew a line in the sand saying, "We will be done, we will move in and everything will work." And so much kudos to their teams and their leadership on it. It really resonated with the organization too.

SUE SWENSON: That's great. I saw the space before people moved in; it looked terrific. I'm sorry I won't be there for the ribbon-cutting today but I'm sure the Board will enjoy seeing the space. And Frank and Jim, thanks for doing everything you've done. I know it took - it was a long journey to get there but it looks terrific. So thanks for that and thanks for bringing us into the current century on communications since that's kind of our mission for people the people we're serving, so I think that's important to be able to use the technology ourselves; appreciate it.

Any other comments/observations for the Board? Questions?

Great. Next step, we have a financial update from Kim Farington who is our Chief Financial Officer. And so Kim, if you could walk us through some of the summary of what's happening on the financial side, we'd appreciate it. The floor is yours.

KIM FARINGTON: Sure. Good morning everyone and let me begin by wishing you a happy new fiscal year. (Laughter) What we are going to talk about today during our finance review is just take a look back at Fiscal Year '15, both the Budget Review and the Milestones. Then we're going to talk briefly about Fiscal Year 16 Budget and Milestones. And we're actually going to save the long-term forecast for later discussion today, but I will end with an update on our Strategic Planning Process that we're undergoing.

So to begin with the Fiscal Year '15 Obligations Budget, we actually - if you look at this slide - we actually represent the year-to-date obligations through August 31 by the blue line. And we represent the obligations forecast for FY15 with the red bar. The green bar represents the total FY15 Obligations Budget. And as you can see, we did pretty well up through August 31. We have utilized 85% of our total obligations, again as of August 31. We've utilized about \$72 million of the \$86 million that was budgeted. The good news is we are looking forward to actually utilizing close to 100% of our total obligations budget for Fiscal Year 15.

Taking a look at the Fiscal Year 15 Expense Budget, we actually have the same bars represented as on the Obligations Budget, and we actually didn't do as great as we did with the Obligations. But the good news is, is our expenses can actually carry forward into this next fiscal year. For Fiscal Year 15 as of August 31, we have actually expended only about 53% of our expenses as compared to budget. That's predominately due to two items. First, we had anticipated bringing on additional staff, and when we realized the reality of our staffing timeline, that actually resulted in us bringing staff on later than we anticipated, so we have that lag.

We also had a lag in the procurement expenses. Some of the procurements that we actually had planned to obligate and award earlier in the fiscal year happened later in the fiscal year. So subsequently, those expenses related to those awards are coming in later in the fiscal year than we had originally anticipated.

We are at about 89% of our expense forecast, but we do only anticipate exhausting around 56% of our total expense budget. And we have taken FY15 as a lessons-learned and we will utilize those lessons as we move forward into FY16.

You may ask what did the '15 Fiscal Year money buy for us. And what you see here is our Milestone Chart. And it actually demonstrates what our milestones were and how well we did at achieving those milestones. The Acquisition Milestones are represented with the green, the Consultation Work Stream Milestones are represented in the red/orange. And the Corporate Services, those are our administrative functions, are represented in the blue.

And as you can see, we have a lot of checkmarks up there. Those are items that we actually completed during this last fiscal year. They're including incorporating and doing analysis for our RFI and our Statement of Objectives, developing the public notices, actually performing NEPA assessments.

In Consultation, you can see the number of consultations and stakeholder engagements that we completed, as well as all the meetings we held and data collection activities we performed during the fiscal year. The Corporate Services Milestone were pretty much on track throughout the fiscal year. We did have some delay but we were able to accomplish what we had planned in this fiscal year as is represented by the lower right hand corner of the screen.

Now I will briefly move you into the Fiscal Year '16 Budget. As you probably know, the Finance Committee actually approved the FY16 Budget that you see here on August 7. And the full Board actually approved the budget on August 17.

This actually is our budget of \$126 million and we have broken this budget down by quarter and also by work stream: the Corporate Services Work Stream, the Consultation Work Stream and the Acquisition Work Stream.

This Obligations Budget does include some funding for Spectrum Relocation Grants that we plan to award this fiscal year, and those will just help facilitate the spectrum relocation to ensure that the unencumbered spectrum is available for the National Public Safety Broadband Network.

Moving on to the FY16 Budget Expenses, we actually have - this also was approved by the Board. And as you can see, we broke this down also by the three different work streams. This too I actually incorporates the expenses that we anticipate from those Spectrum Relocation Grants. So you will see a bit of spike towards the end of the fiscal year and that is what those are representing.

Our Expense Budget is \$99 million with about 11% going to the Corporate Services Work Stream, 29% going to Consultation, and about 60% going to Acquisition.

I expect that you would ask what is this budget buying us. Well as you can see here, we have a lot of milestones and plans for FY16. We do have a very aggressive schedule. Focusing on acquisition, we will complete our final interpretations, we will be publishing draft PEISs, Program Environmental Impact Studies, and we will be constructing the lab that Jeff will talk about later. And the key milestone with the star is our RFP release which we do anticipate coming out December 31 of this year. For Consultation, we anticipate that we are going to be developing the state specific plans, and working on additional consultations and just reviewing the federal and state data submissions.

Lastly what I will leave you with is just an update looking further beyond FY16. One thing that we have initiated recently is developing a five-year strategic plan for FirstNet. We did have a strategic plan for Fiscal Year '15; we're expanding this to a five-year plan to extend past the roadmap that you have previously seen.

As part of this strategic plan update, we are not only developing the strategic goals and the objectives, but we're actually going to create performance targets and key performance indicators for each of those strategic goals and objectives. And of course we will be measuring against those targets on an annual basis. We do plan on, after we complete the plan, we will present it to you at a later Board meeting. So we will be anxious to share with you what we have planned for the next five years.

That concludes my presentation. Does anybody have any questions?

JIM DOUGLAS: This is Jim. Kim, let me just thank you Kim for, first of all, coming to us on loan or detail -- whatever the operative noun is from OPM - to provide leadership to our finance operation and thanks for bringing some clarity to a process that's been challenging for the Board because of our startup status and certain level of imprecision as we've developed budgets over the last couple of years. But I think we're getting to where we want to be and we appreciate your presentation today. Thank you.

KIM FARINGTON: Thank you, appreciate being here.

SUE SWENSON: Any other questions from the Board members about the plan? You know, Kim, I would just like to thank you and the rest of the team and Jim and obviously Tim for getting us a plan before the fiscal year. I think that was quite a milestone. And in Tim's absence, I'll just say that, you know, the whole focus of the committee and the Board has been to make sure that FirstNet has resources to accomplish its objectives.

You know, it's not just a budget-for-budget sake; it's really tied to outcomes and deliverables. And that's really how we're, you know, that's how we're budgeting; that's how we're thinking about the financial plan. So I think the plan for this year is a good one, and obviously we'll monitor it as it goes along. But in Tim's absence, I just feel it's necessary to make that comment because that's really been the philosophy of the Finance Committee since its inception.

Hearing no other comments, and Jeff, I know you'll let me know if anybody there is wanting to say anything. With the financial update and the administration items done, I think Uzoma and Jason are going to explain the logistics of the rest of the meeting, which will be a little bit different than we've done in the past.

So I don't know if Uzoma, you or Jason want to take the next portion.

UZOMA ONYEIJE: I'm here Sue.

SUE SWENSON: Okay.

UZOMA ONYEIJE: So for everyone that's listening online and the folks in the room, just wanted to be clear on what's going to be taking place now. As most of you are aware, the Board will close meetings when dealing with legal matters, financial matters, and other matters such as procurement sensitive information.

So right now we are going to be breaking into closed session after the Board votes to close the session. The substance of this meeting has already taken place at this point, so I want to be clear that when we go into closed session, we're not going to be coming back to do readouts. The readouts will be taking place tomorrow, so I just want to give you a better sense of what the day will be like. So really if you're looking for when we're going to be coming back and providing more public information, it really will be at 1:00 when we start the next committee meeting.

SUE SWENSON: But Uzoma, to be clear, we're not going to read out from the closed session; we'll be coming back to do technology and outreach. Correct?

UZOMA ONYEIJE: That's absolutely right.

SUE SWENSON: Okay.

UZOMA ONYEIJE: So we're going to do a closed session now, we're going to take a break between meetings, and then following that we will start up with another meeting -- another substantive meeting -- at 1:00 pm.

SUE SWENSON: Great. Jason, did you want to add anything at this point?

JASON KARP: Thanks Sue. No, I mean I think that really encapsulates it. I mean what we're trying to do is be as efficient as we can. And as everyone knows, we're in a very critical time in FirstNet's operations, and with the anticipation of the RFP coming up we're going to be dealing with some sensitive attorney-client privilege and source selection sensitive information that we need to take to closed session. As always, we want to be as transparent as possible, and when we reconvene as a full Board tomorrow, we will have some readouts and discussions about the outcomes of those meetings.

SUE SWENSON: Great, thanks for that additional information.

With that, any questions from the Board on the process, and if not I would entertain a motion to adjourn into closed session.

JEFF JOHNSON: Madam Chair, Jeff Johnson. I'll make the motion, and then right before we go into Executive Session Madam Chair, I'd like Uzoma to clarify who remains in the room.

SUE SWENSON: Okay.

JEFF JOHNSON: You have a motion.

SUE SWENSON: Okay, great. Thank you. Is there a second?

TERI TAKAI: Second.

SUE SWENSON: Thank you. All those in favor please signify by saying "aye".

ALL: Aye.

SUE SWENSON: Any objections? Any abstentions? The motion carries and so we are adjourned.