

**MARIN EMERGENCY RADIO AUTHORITY**

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**DATE:** July 17, 2013  
**TO:** MERA Finance Committee  
**FROM:** Maureen Cassingham, Executive Officer  
**SUBJECT:** **AGENDA ITEM C:** REVIEW OF MERA RESERVE BALANCES  
AND RESERVE FUNDS POLICY

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**Recommended Action:** (1) Review and recommend Reserve Fund Balances, based on approved FY13-14 Expenditures from Fund 70032 (New Project Financing), Fund 70036 (Replacement) and continued maintenance of Fund 70037 (Emergency), to the MERA Executive Board; and, (2) Review and recommend revisions, if any, to the MERA Reserve Funds Policy.

**Background:** On May 8, 2013 and on May 15, 2013 the Executive and Governing Boards respectively, reviewed and approved the attached FY13-14 MERA Capital Projects Budgets and directed further Finance Committee review of projected FY13-14 Reserve Balances. Additionally, the Committee was asked to review the MERA Reserve Funds Policy adopted by the Board of Directors on December 9, 2009, with specific reference to required minimum balances for the Replacement and Emergency Funds.

Approved expenditures from Fund 70032 (New Project Financing) will reduce the projected 7-1-13 fund balance from \$209,995 to \$191,995 by June 30, 2014. Expenditures from Fund 70036 (Replacement) will reduce the projected 7-1-13 fund balance from \$927,353 to \$581,229 by June 30, 2014, bringing it within \$81,229 of the minimum balance requirement. Fund 70037 (Emergency) will have a projected \$510,000 balance on June 30, 2014. Also, per Governing Board policy, the MERA Operating Fund balance on June 30, 2013 will be transferred to the Replacement Fund once the Governing Board has accepted the Annual Audit in December 2013. This transfer is estimated to increase the projected FY13-14 Replacement Fund Balance by at least \$100,000.

In addition to the need to closely monitor approved project costs, it should be noted that the above projections and approved expenditures do not reflect any additional projects during FY13-14 such as the proposal for grant writing services for Next Gen System funding or unanticipated current system repairs. Finally, capital project expenditures in FY14-15 associated with remaining outreach activities leading up to the November 2014 election, have been estimated to be \$181,000.

**ATTACHMENTS:** C-1 Approved FY13-14 MERA Capital Projects (G.B. 5/15/13)  
C-2 MERA Reserve Funds Policy