MARIN EMERGENCY RADIO AUTHORITY

c/o Novato Fire Protection District
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G.B. 5/14/14 **Agenda Item C-1**

GOVERNING BOARD

Minutes of December 11, 2013 Regular Meeting

Call to Order: *Corrected* **Draft: 5/8/14**

The meeting was called to order by President Pearce on December 11, 2013 at 3:34 p.m. at the Novato Fire Protection District's Administration Office, Heritage Conference Room, 95 Rowland Way, Novato, CA 94945.

Governing Board Members & Alternates Present:

City of Larkspur	Robert Sinnott
City of Mill Valley	Angel Bernal
City of Novato	Jeanne MacLeamy
Town of Ross	Tom Gaffney
Town of San Anselmo	Debra Stutsman (Alternate)
County of Marin	Matthew Hymel
City of Sausalito	John Rohrbacher (Alternate)
Town of Tiburon	David Hutton (Alternate)
Bolinas Fire Protection District	Anita Tyrrell-Brown
Inverness Public Utility District	James Fox
Kentfield Fire Protection District	Paul Smith, Ron Naso (Alternate)
Marin Community College District	Mitch Lemay
Marin Transit	Amy Van Doren (Alternate)
Marin Municipal Water District	Bill Hogan (Alternate)
Marinwood Community Services District	Tom Horne (Alternate)
Novato Fire Protection District	Tomas Kaselionis (Alternate)
Ross Valley Fire Service	Richard Shortall
Southern Marin Fire Protection District	Jim Irving (Alternate)
Stinson Beach Fire District	Kenny Stevens
Tiburon Fire Protection District	Richard Pearce
Central Marin Police Authority	Todd Cusimano

Governing Board Member Agencies Absent:

City of Belvedere
Town of Corte Madera
Town of Fairfax
City of San Rafael

Staff Present:

MERA Executive Officer	Maureen Cassingham
MERA General Counsel	Trisha Ortiz
County DPW/MERA Operations Officer	Craig Tackabery
MERA Special Project Manager	Dave Jeffries
Communications Services Mgr. (DPW)	Shelly Nelson
Communications Engineer	Richard Chuck
Recording Secretary	Gretchen Felciano

Guests Present:

Dan Hom, Finance Director	Novato Fire Protection District
Dan Mullen	Indie Politics
Terry Price	Price Campaign Solutions

Introductions and Announcements

Pearce welcomed those in attendance and requested self-introductions. Pearce and Cassingham introduced and recognized Hom, his Finance Team and Felciano for all they had done for MERA over the past year. Pearce said Maher had made presentations on Item 5 to the Finance Committee and Executive Board and likewise complimented Hom and his Staff for their fine work.

A. Closed Session

Public Employee Performance: Executive Officer Evaluation
Pursuant to Government Code – Section 54947

Pearce confirmed there were no requests for a Closed Session.

B. Consent Calendar

All matters on the Consent Calendar are to be approved in one motion unless a Member of the Governing Board or public requests that separate action be taken on a specific item.

1. Resolution of Commendation – David Rzepinski, MERA Governing Board and Committee Member – Representing Marin Transit

2. Minutes from May 15, 2013 Governing Board Meeting

3. Proposed Amendment No. 8 to Agreement for Professional Services with Regional Government Services Authority (RGS) and
Proposed 2014 Executive Officer Work Plan

4. 2013 Annual Progress Report on Authority Operations and Activities

5. MERA 2013 Auditor Communication with Governing Board Members and FY12-13 Audited Financial Statements and Auditors' Report

6. Report #16 on Strategic Plan Implementation

7. Report from Executive Board Subcommittee – NFPD Request for Executive Board Seat

8. Executive Board Recommendation and Status of Investment of MERA Bond Reserve

Cassingham requested removal of Item 8 for an update.

M/S/P Kaselionis/Tyrell-Brown to approve Items 1 through 7 as presented.

AYES: ALL
NAYS: NONE
ABSTENTIONS: Item 2 – City of Sausalito, Marin Community College District, Novato Fire Protection District and Central Marin Police Authority
Motion carried.

Cassingham and Gaffney confirmed investment of MERA's Bond Reserve of $1.8M earlier that day in a Federal Home Loan Mortgage Corporation security at .75 percent for a term through 12/27/16 with a 6/20/14 par call, offered at 100. She noted the significant drop in yield over the prior investment. Gaffney responded to Pearce that there was no additional risk given the home loan component and that the investment was AAA.

M/S/P Gaffney/Smith to approve Consent Calendar Item 8 as presented.

AYES: ALL
NAYS: NONE
ABSTENTIONS: NONE
Motion carried.

C. Executive Officer's Report - Cassingham

1. Proposed Memorandum of Understanding By and Between MERA and the County of Marin in Support of the Next Generation Radio System

Cassingham summarized her staff report on the proposed MOU which is a non-binding commitment of the parties to support and cooperate on this Project as outlined. The Executive Board has recommended approval based on the reviews of MERA's General Counsel and County Counsel. She noted that MERA will prepare the ordinance and ballot question.

Pearce noted that the MOU was based on the Next Gen Project Feasibility Study to be considered later on this agenda.

M/S/P Irving/Kaselionis to approve the Proposed Memorandum of Understanding by and between Marin Emergency Radio Authority and the County of Marin in Support of the Next Generation Radio System as presented.

AYES: ALL
NAYS: NONE
ABSTENTIONS: NONE
Motion carried.

2. Report on Round One and Two Presentations: MERA Member Outreach - Jeffries

Jeffries reprised Round One noting 26 presentations were completed and one is pending with an additional two (2) sessions for newly elected officials and those unable to attend their agency's prior presentations. The latter are scheduled for the week of December 16. Questions that arose during the presentations, many of which were addressed at the time or will be addressed in Round Two, were primarily on funding, grants, Generation I, Vendors, Technology, Outreach and Membership.

In Round Two, members will be updated on the Project and asked for resolutions of support of it and the proposed Parcel Tax ballot measure. Jeffries requested Governing Board approval of proposed language including a Citizens Oversight Committee in the MERA Parcel Tax Measure, adoption of an Income Qualified Senior Homeowner Parcel Tax Exemption pending Legal Counsel concurrence and adoption of language regarding estimated Gen II O & M costs which focuses on parcel tax passage followed by identification of other revenue sources to help reduce Member O & M expense. McCann asked about the percentage of homeowners that would qualify for exemption. Cusimano confirmed 6 applicants for the Central Marin exemption. Smith said the NBS Report stated the total estimated exempt ranged from .5% to 5% with possible annual impact from $12K to $120K. Pearce applauded Jeffries for the great feedback received from the member agencies and that their concerns were being addressed.

M/S/P MacLeamy/Sinnott to receive and file the Report on Round One and Two Presentations and approve requests for the Citizen Oversight Committee as presented, the Income Qualified Senior Homeowner Parcel Tax Exemption upon General Counsel concurrence, and approach to Gen II O & M costs, putting passage of the parcel tax first followed by development of other revenue sources to address same.

AYES: ALL
NAYS: NONE
ABSTENTIONS: NONE
Motion carried.

3. Recommended Revisions to the Next Generation System Outreach Plan – Mullen and Price

Mullen said the Project Oversight Committee and Executive Board have reviewed and recommended the proposed revisions to the Next Gen System Outreach Plan which accelerate public outreach parallel with Round Two Member presentations. Public outreach includes the

use of social and digital media, in-person and public access channel community presentations and a website upgrade for public use. He said the updated budget will come in under projection by $41,000. Naso clarified social media as including Facebook and Twitter and suggested MERA's updated video be placed on YouTube. Kaselionis inquired about Town Hall social media events that do not require transit. Mullen said telephone town halls could be added. Price said a second public survey is planned which is smaller with an estimated cost of $16,000 that will help test the results of the first one and target our outreach efforts. Kaselionis asked about the review process for the poll questions. Pearce said the POC would provide review.

M/S/P Van Doren/Gaffney to approve the Recommended Revisions to the Next Generation System Outreach Plan as presented.

AYES: ALL
NAYS: NONE
ABSTENTIONS: NONE
Motion carried.

4. Report from Finance Committee on Parcel Tax and Next Gen Project Budget/Financing Plan

Cassingham presented the report from the Finance Committee and their three recommendations. She summarized Legal Counsel review of relevant Government Code sections for non-uniform and uniform parcel taxes, noting non-uniform school parcel taxes have been successfully challenged. G.C. 53978 permits a non-uniform tax as presented in the NBS Study which can be used to fund police/fire services. Other funding sources for the $2.1M in project costs for non-police/fire services would have to be identified, such as Reserves. Pearce cited all the work done by the Finance Committee in developing the financing plan and these options.

Hymel summarized the historical background on this by stating that, originally MERA would place the measure on the ballot. Since then, MERA's taxing authority has been clarified as has the County's possible role along with the development of the parcel tax study and structure and subsequent legal review of recent court decisions on financing options. A uniform rate would result in a loss of about $11M in revenue which would not sustain the proposed project budget. A parcel tax for police/fire services will not cover non-police/fire costs, primarily for radios which is roughly $2.1M. Other funds would have to be used.

Irving inquired about the possibility of legal challenge to a parcel tax for non-police/fire. Ortiz said the enabling legislation for a non-uniform tax for police/fire services also includes a section on a validating act. Gaffney said we would likely challenge ourselves in court by undertaking a validation process after the election and before selling bonds. This would assure no other challenge could be made after a specified period.

Kaselionis expressed concern for the success of yet another tax on top of the recent tax on his Distrct via the SRA fee. He asked if NBS had studied and compared other like measures. Gaffney said no detailed study was performed but NBS had been involved with a number of

them. We are cognizant of recent and upcoming measures. The first poll assisted us in understanding what voters will support and the amount. Hymel said the challenge is that member agencies will have to double their contributions without voter support. With the help of a modest parcel tax for capital costs, members will continue their support for system O&M. Gaffney said G.O. property tax and sales tax were considered with this being our best option which is a very nominal charge.

Mullen and Price said they were aware of the potential for voter fatigue and that the second survey would poll for this. The results would tell us how to proceed. Pearce said the $75 parcel tax from MMWD for fire flow and seismic work has been a success and we are looking at only $29 per SFU.

MacLeamy cited Financing Plan Table 4 which shows the option of members continuing debt service after the original bonds. She inquired about the use of Capital Appreciation Bonds as a project revenue source. Gaffney said Table 4 was a contingency plan or alternative if funding was not sufficient. Construction bids will determine the need for alternatives. MacLeamy asked if other uses of Reserves had been planned. Gaffney said Reserves were previously contemplated as contingency but may now be needed for the project non-police/fire costs. She also asked about a one page summary of project capital and operating revenues and expenses. Gaffney said the Feasibility Study included this information which would be required for sale of bonds.

M/S/P Hymel/Gaffney to approve the following Finance Committee recommendations:

(1) Approve the use of Government Code Section 53978 which would permit the Marin County Board of Supervisors, on MERA's behalf, to place a parcel tax measure on the ballot November 2014 to upgrade MERA's infrastructure for the purpose of providing police and fire services.

(2) Approve the revised Project Financing Plan which utilizes Parcel Tax revenues to pay for Police and Fire Services portion of the Next Gen System and MERA Reserves for non-police/fire Next Gen System costs.

(3) Concur with the Finance Committee's adjustments to the Next Gen System Budget (included in the Feasibility Study Agenda Item D-1), which eliminates payments for non-member, non-police/fire radio costs consistent with current MERA practice and increases the contingency without change to total Project Cost of $40M.

Tackabery asked for further review of MERA's non-member mutual aid partners by the Finance Committee.

AYES: ALL
NAYS: NONE
ABSTENTIONS: NONE
Motion carried.

5. Other Information Items

Cassingham reported she will be MERA's Project Manager for the required Utilities Undergrounding at the Forbes Hill Tower Site preceeding Reservoir Improvements by MMWD. Cost estimates are pending. She also noted the possibility of sublease negotiations with GGBHTD for the Dollar Hill tower site for their microwave project.

Cassingham said General Counsel Ortiz's memo on MERA Officials restrictions relative to the proposed ballot measure would be distributed via email to Governing Board Members and Alternates after this meeting. She added that the Executive Board, on November 13, approved a MERA Surplus Property Policy and Procedures to permit the official disposition of the old Bay Hill emergency generator.

D. Operations Reports - Tackabery

1. Proposed Next Generation Feasibility Study – 700 MHz Technology

Tackabery presented slides of the Study highlights including a review of the existing MERA Trunked System and its topography challenges, timing of impending obsolescence, volunteer paging system and future options, upcoming Federal Legislation requirements to Narrowband and vacate the T-band spectrum, Next Generation System design, planned life, the 2010 System RFP, project costs, estimated O & M costs, coverage options, grant resources, other systems and bonds. He said all the Exhibits represented years of work on the system and the Study and that Exhibits were available on MERA's Website. He emphasized a new RFP would be issued after the ballot measure with no commitments to particular vendors. Kaselionis recommended deletion from of the EOC Grant Program on page 15. Tackabery also discussed system bid options including a System Upgrade Agreement (SUA) that would provide for *technology refresh including hardware and software for up to 10 years.*

Tackabery presented the Project Budget in Appendix G. 2,800 radios will be replaced and 4 new coverage sites are included. The budget is based on 2010 bids updated by recent bids for the County EOF and the East Bay Regional Communications System. Smith said the contingency of 17% is very tight and that we should monitor the use of reserves for the Project as recommended by the Finance Committee. Kaselionis concurred, especially with new sites and the potential for challenges. Pearce agreed and noted there is some room for adjustments elsewhere with project budget and the Feasibility Study is a living document subject to being updated as more information is known. Tackabery committed to diligent cost monitoring given the public survey results supporting a $29 maximum parcel tax which matches project costs. He mentioned possible new partners in Cal Trans and CHP since they have similar coverage issues that Gen II will be addressing. He also suggested working with GGNRA. Tackabery explained the analysis of 7 additional coverage areas and the ranking for funding by the Ops Group. Pearce said, during system design, if it is determined one site could cover two, we will consider it and possible cost savings. Tackabery reviewed $6M in grants received to date. Pearce urged police and fire to work together in obtaining grants for the project versus competing for funding.

Tackabery reviewed Appendix H, the estimated operating budget for Gen II and related assumptions. Costs will increase due to inflation, new sites, doubling of costs in the overlap period and an SUA option at $450,000 per year for 10 years. He said County IST has reviewed the SUA option, finding it well priced for the replacement of hardware and software every two years as needed. Kaselionis asked if repeaters are covered by the new system. Nelson said each agency provides deployable repeater sites at this time. He asked for consideration of mobile repeater costs. Nelson said this can be included as an RFP option along with the required frequencies. Hymel added, while it could be an option, it would not be funded by the project. He asked staff to look at it but not to include apparatus to haul mobile repeaters.

Tyrell-Brown asked if the SUA requires MERA to upgrade its radios, which would be a significant member cost, with each system upgrade. Tackabery said this clarification would be included in the RFP. Hymel said such questions would be factored in to the analysis of the cost of extending System useful life.

M/S/P Cusimano/Kaselionis that the MERA Governing Board accept the proposed MERA Next Generation Feasibility Study and determine that a 700MHz-P25 Phase 2 System, per the estimated budget, be the basis for the Next Generation System being proposed in an upcoming ballot measure.

AYES: ALL
NAYS: NONE
ABSTENTIONS: NONE
Motion carried.

2. MERA System Operations Reports - Chuck

Chuck presented the MERA System August, September and October 2013 Usage Reports and the different formats. Usage by agency remains the same.

3. Other Information Items

Tackabery reported that all system training materials and trainer lists would be updated by the MERA Ops Group by next November. He invited member representatives to participate in the Operations Issues Group which meets the first Wednesday of the month. The focus is to work on system issues with user input on solutions.

Pearce said San Rafael had a significant event that might be captured for outreach.

E. Open Time for Items NOT on Agenda

None.

F. Adjournment

Cusimano urged the larger MERA member agencies and those with questions at meetings like these to participate in the many MERA committees working on these issues. He suggested they involve their staff with related expertise. Active involvement is imperative. To have these conversations once a year is unacceptable. Even though issues may vary between agencies, we need to work together and regularly participate at all levels.

Hymel said, while it may not be our preference, we must have a viable replacement system option. No one wants to ask for a parcel tax. The alternative is doubling member contributions. For example, we may prefer a higher project contingency, but poll numbers say we need to stay under $30 which is what we will do and do our best to make this work. We all must work together to assure we have a system that functions for our residents. This is our responsibility as a group. He encouraged all to join in the spirit of cooperation and teamwork to make this a success.

The meeting was adjourned at 4:55 p.m.

NEXT: **Meeting of MERA Governing Board**
Wednesday – May 14, 2014 – 3:30 p.m.

AGENDA AND STAFF REPORTS ARE AVAILABLE ONLINE AT
WWW.MERAONLINE.ORG

Respectfully submitted by:

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Maureen Cassingham
MERA Executive Officer