

Public funds may not be disbursed by the Authority without adoption of the approved budget and all receipts and disbursements shall be in strict accordance with the approved budget. The budget shall identify the programs of the Authority and allocate funds by the program. The budget and accounting system shall account for direct and overhead costs by program. The Board shall allocate these costs for each program with the adoption of the annual budget.

**9.2 Funding of the Authority.**

The monetary contribution of Members for the system backbone costs and annual operating costs shall be determined in accordance with the Lando formula which provides as follows:

**MERA Apportionment Formula (for distribution of backbone costs):**

- **Agency:** Each Member is identified by user type. The type corresponds to the Member's purpose, i.e., Police, Fire, Public Works, Transit, Land Management, Private Brigade, etc.
- **Coefficient:** A common number is applied to each user type depicting its approximate radio utilization compared to the other user types. The total user coefficients add up to 1 or 100%. The Coefficients are:

|                 |   |             |
|-----------------|---|-------------|
| Police          | = | .6          |
| Fire            | = | .25         |
| Public Works    | = | .1          |
| Transit         | = | .01         |
| Land Management | = | .025        |
| Private Brigade | = | .01         |
| Unused          | = | <u>.005</u> |
| TOTAL           | = | 1 or 100%   |
- **% of Population:** This ratio expresses the percentage of the Member's population to total county population.
- **% of Area:** This ratio expresses the percentage of the Member's area to the total county area.
- **C:** This is the Member's buy in cost (same for all members).
- **Members' Determinant:** (((% Population x 2) + % area) x Coefficient) + .005. The sum of the factors represents 100% of all the participating agencies Members by their type.
- **Apportioning Formula:** The Members' Determinant Factor divided by the sum of all Member factors equals the percentage to be applied to the total costs and determines the Member's cost.

**Apportionment Formula (for distribution of annual operating costs):** MERA Members' annual operating cost equals 5% of total annual operating cost divided equally by MERA Members plus members agency costs as determined from percentages as provided in the "MERA Apportionment Formula".

This Lando formula can only be changed by a 2/3 vote of all Members. Members shall pay their contributions within 30 days after a request for payment has been made by the Authority.

**9.3 Duties of Treasurer/Controller.**

a. The Board shall appoint a Treasurer from among the senior management staff of the Member Agencies. The Treasurer shall be either the County Auditor/Controller, the Treasurer Tax Collector or the Finance Director of one of the Members. This person shall also function as Controller of the Authority.

b. The Treasurer shall serve as the depository and have custody of all Authority funds and establish and maintain such books, records, funds, and accounts as may be required by reasonable accounting practice. Government Code Section 6505. The books and records of the Authority shall be open to inspection at all reasonable times to the Members.

c. The Treasurer, within ninety (90) days after the close of each fiscal year (which shall be from July 1 to June 30), shall give a complete written report of all financial activities for such fiscal year to the Members.

d. The Treasurer shall prepare such financial reports as may be directed by the Board or Executive Committee.

e. The Treasurer shall cause an independent annual audit of the accounts and records to be conducted by a certified public accountant in compliance with the requirements of Section 6505 of the Government Code and generally accepted accounting standards.

**9.4 Debts and Liabilities.**

As permitted under Government Code Section 6508.1, no debt, liability, or obligation of the Authority shall constitute a debt, liability, or obligation of any Agency and each Member's obligation hereunder is expressly limited only to the appropriation and contribution of such funds as may be levied pursuant to this Agreement or as the parties hereto may agree.

**9.5 Disposition of Authority Funds Upon Termination.**

a. In the event of termination of the Authority where there is a successor public entity which will carry on the activities of the Authority and assume its obligations, Authority funds, including any interest earned in deposits, remaining upon termination of the Authority and after payment of all obligations shall be transferred to the successor public entity.

b. If there is no successor public entity which would carry on any of the activities of the Authority or assume any of its obligations, Authority funds, including any interest earned on deposits, remaining upon termination of the Authority and after payment of all obligations, shall be divided in proportion to the contribution of each agency.

c. If there is a successor public agency which would undertake some of the