

C.O.C. 8/17/16 Agenda Item A
MARIN EMERGENCY RADIO AUTHORITY
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Measure A Citizens Oversight Committee

DRAFT: 7/18/16

Minutes of June 15, 2016 Regular Meeting

Call to Order

The meeting was called to order by Vice Chair Greenberg at 4:00 p.m. at the Marin Civic Center CAO Conference Room 315, San Rafael, CA 94903. The Vice Chair reordered the agenda items; however, the minutes are presented per the Noticed Agenda.

Committee Members Present:

District #1	Elizabeth Greenberg
District #2	Bill Levinson
District #3	Chuck Reite
District #5	Paul Herrerias

Committee Members Absent:

District #4	Larry Luckham
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Staff Present:

MERA Executive Officer	Maureen Cassingham
MERA Deputy Executive Officer – Next Gen Project	Dave Jeffries

A. **Minutes from March 16, 2016 Citizens Oversight Committee Regular Meeting**

M/S/P Levinson/Herrerias to approve the minutes as presented.

AYES: All
NAYS: None
ABSTENTIONS: Reite
Motion carried.

B. Update on Status of Next Gen System Project (Jeffries)

Jeffries presented his informational report noting the actions taken to advance the Project since the Committee's last meeting. In response to Levinson, he said he would include as part of his report, a further explanation of the recent Marin IJ article which raised questions about the Next Gen System and current coverage gaps. Levinson also said he wanted to thank MERA staff for assisting with MCOE's request for MERA radios. The Superintendent and District Superintendents toured the Sheriff's Office Dispatch Center and as of now, it appears MERA radios may be issued in mid-July. He said Cassingham has been extremely helpful with the process. Cassingham and Jeffries noted there are more steps ahead but progress is being made. Levinson added that in the event of an emergency, schools must be connected to the MERA System. Jeffries said for many of us, this has been a 15-year discussion, which is heading towards fruition.

Jeffries responded to the IJ article on Next Gen coverage as recently discussed by the Board of Supervisors. He said that Supervisor Kinsey raised the issue of coverage gaps and whether Next Gen would address them. In response to the article, Chief Pearce sent a letter to the Editor, which has not been printed yet. Part of the article questioned MERA's public outreach. He noted the March *Marin Voice* article, penned by Pearce and him, updating the public on the progress of the Project which was printed by the IJ.

Jeffries said the coverage issues Kinsey was pointing out are well-known by the MERA members. In November 2008, DELTAWRX was commissioned to identify solutions for the coverage issues. In 2010, the AECOM Report noted the coverage gaps. And the 2013 DPW Feasibility Study noted coverage issues and potential sites to address them. The Ops Group has reviewed CAD maps for calls for service to further identify these areas. High priorities are sites serving populated areas that include West County, South and North County. He said as part of the 60+ Next Gen Project presentations to MERA Member Boards and Councils and other organizations, coverage issues to be addressed by the Project were prominently featured.

Jeffries said the recently released Project RFP calls out the coverage gaps needing to be addressed in vendor proposals, including the suggestion of sites not considered to date, if they provide better solutions. Jeffries and Greenberg agreed Kinsey's comments were likely to bring attention to the gaps to further assure they are addressed by MERA. Jeffries added that the Next Gen Project Newsletters are available to subscribers on request and on the meraonline.org Homepage. The next issue is due out soon. Coverage came up at the BOS meeting because DPW was providing the Supervisors with an informational update on the Project RFP. He noted the mandatory pre-bid meeting was packed, followed by site visits. Proposals are due July 22.

Levinson offered Committee Member assistance if needed at, for example, a BOS meeting. The Committee wants to support staff and the Project. Cassingham thanked them for the offer given much remains ahead to be decided. Reite asked about the Newsletter distribution list. Jeffries said subscribers include MERA Member governance, appointed officials and anyone else asking to be on the list. Jeffries said subscribers can request him to be added to the list. Cassingham added that the Newsletter is online as well. Levinson said Superintendent Burke can distribute it to the District Superintendents. Jeffries said he would follow-up.

Jeffries recapped his staff report on the Project, noting the extensive effort that went into the finalization of the RFP, including MERA Governing Board approval on April 27. On May 16, potential bidders attended a pre-bid conference followed by site visits led by the County's Communications Engineer. Remaining visits include the Jail and Fairfax Dispatch which was unavailable before due to remodeling. Greenberg asked how many vendors attended. Jeffries said 4 or 5 of varying size. Levinson asked if they were prequalified. Jeffries said this was not required given the universe of these vendors, noting that some may join together to propose. Greenberg said in her experience, she has seen small vendors join together or with large vendors to propose.

Jeffries said, on July 27 the Project Oversight Committee will address the selection process which will be impacted by the number of proposals. The RFP is on the County's website as well as MERA's for reference. The RFP will be migrated to MERA's website for archival purposes after the proposal due date. He added that the second round of outreach for the Senior exemption has been completed with three media releases and outreach assistance from local senior organizations. Future outreach will likely be limited to media advisories given the first two years of extensive effort.

C. Report on Next Gen System Project Financing (Cassingham)

Cassingham recapped her staff report on Project Bond Financing, noting the outstanding ratings received from Moody's and Fitch. She said the Financing Team tweaked the bond financing plan by selling the full \$33M in bonds authorized by the Governing Board now to capture current interest rates. A Reserve Fund Surety was competitively bid to allow for additional Project cash flow at a nominal cost. Build America Mutual (BAM) was selected. BAM provided MERA with a Surety for the 2010 Bond Reserve for Next Gen Project cash flow prior to the issuance of the 2016 bonds.

Cassingham described the May 5 bond sale as lasting only a few seconds. There were eight interested underwriters. Six bids were received with Bank of America/Merrill Lynch being the low bidder at 2.53%. Financial Advisors Sperry Capital had projected an interest rate of 2.5%. She said that Bond proceeds were invested in a Guaranteed Investment Contract (GIC) which was likewise competitively bid. Nataxis was the highest bidder at 1.191% interest which will add additional income to the Project Fund. Bond proceeds cannot be used until April 1, 2017, per the contract. Bond closing followed on May 19.

Levinson asked if there was any concern about completing the Project on time given the GIC investment. Cassingham said the GIC is flexibly structured to permit drawdowns beginning in April, 2017 which will result in descending interest earnings and no arbitrage issues. Jeffries added that a vendor contract will be finalized by year end which will clarify Project cash flow needs and Project costs. In response to Greenberg, Cassingham confirmed the Project Budget has a contingency of 17% to address change orders. Jeffries said the whole RFP structure was designed to minimize change orders, along with vendor site visits intended to enhance bid accuracy.

Reite noted the current System site issues in Tiburon that resulted in not only delays, but additional Project costs. Jeffries agreed that new sites can be problematic and in this case, generated new case law with MERA prevailing. Greenberg said the criticality of the use of and need for the MERA System will hopefully generate support for the Project. Jeffries said recent exercises covered by the IJ also increase public awareness of the need for effective MERA emergency communications and should help with Project support.

D. Update on Measure A Special Parcel Tax Fiscal Year 2015-16 Independent Compliance Audit

Cassingham reported that Maher Accountancy, MERA's regular audit firm, had been engaged to perform the Measure A Compliance Audit for a fee of \$9,750. One of the three duties of the Committee is to review the Compliance Audit. This Audit, timing-wise, may follow the annual audit of MERA's Financial Statements. This Audit will not produce financial statements, but presentation of a schedule that presents Measure A revenues and expenditures for FY15-16. She noted the responsible parties, namely the County for tax collection and management while the taxes are in their possession, MERA for expenditures and funds management and the Committee for acceptance of the Audit.

In response to Levinson, Cassingham said Maher will review every collection and expenditure versus sampling. Levinson said this is very thorough. Greenberg clarified that Maher's fee is annual. Cassingham said all parties will benefit from NFPD's excellent accounting services and her administrative reviews of same.

E. Discussion of MERA Fund 70038 Review Process: Next Gen Project

Cassingham distributed copies of the P&L detail report for Fund 70038, which is the repository for parcel tax payments, along with a selection of invoices for the Committee's review and input. She noted the report was an unadjusted sample for comments on format and backup. Actual reports will be available for Committee review in August.

Cassingham said the Committee will be reviewing a second Fund 70039 which holds Bond proceeds. The Fund report format identifies County parcel tax levies and NBS collected utility payments along with interest earned and County collection fees. The report also identifies expenditures and related details. Sample invoices include Marininfo for website work on the senior exemption, Regional Government Services for contract Project staff, Sperry Capital for Project financial planning, NBS for tax administration, DPW for Next Gen Implementation, and Richards/Watson/Gershon for Project legal services.

Levinson asked if these copies would be provided with every P&L statement. Cassingham said she was seeking Committee input on the type and amount of detail the Committee wanted. After some discussion, it was agreed the P&L statements alone might be satisfactory after the first formal review. Greenberg added that, if just one copy of the invoices was available initially, that may be satisfactory to address any questions.

Jeffries said he could bring a projector to assist the Committee by reviewing the report line by line on a big screen. Cassingham said she would transmit the P&L electronically to the Committee with their agenda packets to permit review ahead of the meeting.

F. Confirmation of Meeting Schedule – Citizens Oversight Committee: FY16-17

Cassingham presented proposed meeting dates for next fiscal year noting that the new 4 p.m. start time approved by the Committee at the last meeting was in conflict with the Bylaws. She said she would present a resolution for Committee action at the next meeting which would recommend amendment of the Bylaws to the Governing Board to permit the Committee to establish meeting time and location by resolution.

The Committee concurred with a resolution, with Levinson asking if anything else in the Bylaws needed revision. Cassingham said she would review them accordingly. Greenberg said meeting flexibility was important should member schedules change. Levinson asked if the proposed dates were acceptable. Discussion ensued about meeting frequency. Cassingham said the Bylaws stated “regular meetings shall be held as needed on the third Wednesday at 3:30 p.m.”

Levinson suggested consolidation of Committee business whenever possible to achieve fewer meetings. Jeffries said an update on the bidders may be available for the August meeting. Levinson said the October and December meeting dates could be discussed at the August 17 meeting. Herrerias said a 4 p.m. start time going forward should still be good for him. Cassingham confirmed fund reports will be regularly available beginning with the August meeting.

G. Other Information Items

None.

H. Open Time for Items Not on Agenda

By consensus of the Committee, it was agreed future meetings will begin at 4:00 p.m.

I. Adjournment

The meeting was adjourned at 4:49 p.m.

Respectfully submitted,

Maureen Cassingham
Executive Officer and Secretary

NEXT: Measure A Citizens Oversight Committee Meeting

**Wednesday, August 17, 2016 – 4:00 p.m.
Marin Civic Center**