

MARIN EMERGENCY RADIO AUTHORITY

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EXECUTIVE COMMITTEE REGULAR
MEETING MINUTES of November 12, 2009

Call to Order:

The meeting was called to order by President Kinsey at 3:34pm at the Novato Fire Protection District Administration Office, Heritage Conference Room, 95 Rowland Way, Novato, CA.

Committee Members (or Alternates) Present:

County of Marin	Steve Kinsey
County of Marin Sheriff	Robert Doyle
City of San Rafael	Christopher Gray (Alternate)
City of Novato	Joe Kreins
Novato Fire Protection District	Marc Revere
Fire Districts (remaining): At Large	Jim Irving
Ross Valley Agencies	Michael Rock

Committee Members Absent:

Southern Marin Cities/Towns	Anne Montgomery
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Non-voting Members:

Marin County Fire Chiefs' Association	Richard Pearce
Marin County Police Chiefs' Association	John Rohrbacher
Marin Public Works Association	David Rzepinski

Staff Present:

MERA Executive Officer	Maureen Cassingham
DPW Director	Farhad Mansourian
County Communication Engineer	Richard Chuck
General Counsel	Jim Karpiak
Recording Secretary	Denise Wade

Guests:

MERA Finance Committee Member	Tom Gaffney
City of Larkspur Alternate	Robert Sinnott

A. Closed Session - Public Employee Performance: Executive Officer Evaluation Pursuant to Government Code – Section 54947

- 1) Amendment No. 3 to Agreement for Professional Services with Regional Government Services Authority and Proposed Executive Officer 2010 Work Plan.

The public meeting was reconvened at 3:44 p.m.

Kreins stated that more hours may be required of the Executive Officer per week than are being approved with Amendment No. 3. The impacts of the increased MERA workload for the remainder of 2009 and 2010 will be monitored by the Executive Officer Work Plan Subcommittee.

M/S/P Kreins/Revere to recommend Board approval of Amendment No. 3 to the Agreement for Professional Services with Regional Government Services Authority extending the agreement from January 1, 2010 through December 2010 for the Executive Officer's services and authorizing an additional three hours compensation per week from January 1, 2010 through June 30, 2010 due to workload at a cost of \$9,000 and the 2010 Executive Officer Work Plan as submitted.

Ayes: All
Nays: None
Motion carried

B. Consent Calendar All matters on the Consent Calendar are to be approved with one motion unless a member of the Committee or the public requests that separate action be taken on a specific item.

- 1) Minutes from September 9, 2009 Executive Committee Regular Meeting
- 2) Minutes from September 30, 2009 Executive Committee Special Meeting
- 3) 2009 Annual Progress Report on Authority Operations and Activities

M/S/P Irving/Doyle to approve the consent items as presented.

Ayes: All
Nays: None
Motion carried.

C. Recommendation of Finance Committee –

- 1) Appointment of Subcommittee to meet with County Staff to Develop Costs and Options for Proposed MERA Relocation to County Emergency Operations Facility – “Update Regarding Planning by the County of Marin for an Emergency Operations Facility” (Letter from David Speer of 10/27/09 to MERA Board).

Cassingham reported that the MERA Board has received a letter from the County of Marin dated October 27, 2009 regarding the potential need for funding the replacement and relocation of MERA equipment to the proposed new Emergency Operations Facility from the Civic Center at an estimated cost of \$4 million. The MERA Finance Committee recommends appointment of a subcommittee to meet with County staff to develop detailed costs of this project and options for review by the Executive Committee at a special meeting on September 9, 2009.

She noted that such a project would require additional borrowing. Mansourian said this project is still in the planning phase and that DPW gets involved after it becomes a project. He noted that the remaining life of MERA’s equipment is 10 years. If MERA does not replace with this project, \$6 million will be needed to replace the equipment in 10 years. Kinsey noted that the new facility will meet current seismic requirements versus the present Civic Center location which is less seismically secure. Kreins added that while the relocation seems to be a good move, MERA needs to know the detailed costs behind the \$4 million estimated costs, why we would pay early for equipment replacement, the consequences of staying in the Civic Center or making the move later and the related costs. He said this project was new to MERA and there are many questions to be answered.

M/S/P Gray/Doyle to appoint a MERA Subcommittee of Kreins, Gray and Irving to meet with County staff to develop MERA replacement equipment and relocation costs associated with a move to the proposed County Emergency Operations facility. The Subcommittee will also explore MERA’s other options, timing of new equipment and what is entailed in the move. Cassingham will work with David Speer to schedule meetings to insure development of a report for Executive Committee review and action on December 9.

D. Executive Officer’s Report (Cassingham)

- 1) Report and Recommendations from Finance Committee on Refunding 1999 Bonds, Retirement of 2007 Project Note, Use of Refunding Proceeds and Additional Borrowing.

Cassingham summarized that she and Finance Committee Member Gaffney, the Finance Committee as a whole and Executive Committee had been monitoring the refunding of the 1999 bonds for some time to produce interest savings for member agencies. Market conditions and timing of the Bonds first call set in motion the development of an RFP for underwriting services and a competitive bid process as the first step for the refunding and advance refunding of the Citizens Bank project note. County Treasurer Smith contacted her about the refunding and suggested Wedbush for the underwriting services. Wedbush, Stone & Youngberg and Morgan Stanley were invited to submit proposals. Stone & Youngberg submitted the strongest proposal

at lesser cost and was selected to provide underwriting services to MERA on a fully contingent basis with fees payable at closing. Bond Counsel Stava and Disclosure Counsel Tierney will likewise provide legal services on a fully contingent basis. The Finance Committee met on November 4 regarding refunding, the project note, timing and use of proceeds including the possibility of additional borrowing for capital projects. A list of those projects was discussed including the newly announced relocation and replacement of MERA's equipment in the new County Emergency Operations Facility, Tomales/Martha/Angel Island/Twin Peaks and other coverage projects and future system component replacements. The interest savings to MERA under current market conditions are estimated at \$1.3 million over the life of the bonds which could be used for projects. An economy of scale would be achieved if MERA decided on additional borrowing with refunding. She reported that the Finance Committee recommends that the Executive Committee recommend to the MERA Board to:

- 1) Proceed with refunding the 1999 Bonds over the same term with same member debt service to achieve savings for member contribution reduction and/or capital projects.
- 2) Retire the 2007 Project Note with Citizen Business Bank from refunding proceeds if possible, thus creating one instrument of debt or negotiate with the Bank to see if they will allow the note to be refunded prior to the first call date of August 15, 2011.
- 3) Appoint a MERA Subcommittee to meet with County staff regarding the proposed new County Emergency Operations Facility which was approved earlier in this meeting.

Gaffney stated if MERA decided to proceed with capital projects, refunding savings could be taken up front to be used against their costs. He noted the bonds can be called on either February 15 or August 15 and February should be a really good market. Cassingham noted that the schedule for a February closing would require member agency approvals of resolutions and an amendment of the Project Operating Agreement in December for a special MERA Board meeting on January 6. Gaffney said the project note is being reviewed for advance refunding or a negotiated pay-off if terms are favorable to MERA.

Pearce said additional borrowing could be used for the Martha/Southern Marin coverage project estimated at \$2 million if we have the land. Gaffney said an EIR may be needed by February for the project or bonds cannot be sold for it. He will check with Bond Counsel on this as it relates to any proposed capital projects. Mansourian said there are no EIRS for any of these projects. He inquired about phasing capital costs. Kinsey clarified that coverage projects discussed over the last year are considered to be MERA system projects, not agency specific projects to be financed and paid for locally. Kreins noted the Martha project involves some big "ifs" to secure the site and construct a tower. Mansourian confirmed that this is a coverage expansion project that does not require additional frequencies. Kinsey said it is likely Tiburon will be supportive of the project based on his meeting with city representatives. They feel they have the consensus of the local community. Tank relocation could pose another issue if required for tower siting. Kinsey asked for a list of possible projects and estimated costs to be presented to the Executive Committee on December 9, the CEQA requirements on additional borrowing and noted that all projects would be MERA's.

M/S/P Kreins/Gray to recommend to the Board to proceed with refunding the 1999 bonds, retire the Project note if terms are advantageous to MERA, use refunding proceeds for capital projects from the list to be developed and proceed with analysis and consideration of additional borrowing if feasible for pending projects. Gray included in the motion that the Tiburon site would be a MERA project.

Ayes: All
Nays: None
Motion carried.

2) Report and Recommendation from Finance Committee on Use of Excess Reserve for 1999 Bonds

Cassingham reported that, at the Executive Committee's request, the Finance Committee has reviewed the excess reserve for the 1999 Bonds and recommends the excess of \$229,712 be left invested with Robobank at a higher interest rate than other MERA funds thus avoiding the \$26,000 penalty for withdrawal. She said BONY as trustee did not perform the semi-annual reserve requirement calculations which resulted in the investment of a larger reserve than required by the Indenture formula. Gaffney said the Robobank investment is the highest interest earning MERA has and if MERA needed the excess funds, they should be taken from a fund earning less. Kinsey asked Gaffney if the Finance Committee would still recommend leaving the funds with Robobank given the capital projects we have been discussing. Gaffney replied yes.

M/S/P Revere/Kreins to recommend to the Board that the Excess Reserve for the 1999 Bonds be left invested with Robobank at a higher interest rate than other MERA funds and avoid the withdrawal penalty.

Ayes: All
Nays: None
Motion carried.

3) Proposed MERA Reserve Funds Policy

Cassingham reported that on September 9, 2009, the Executive Committee, upon the recommendation of the Finance Committee, voted unanimously to recommend to the MERA Board to combine the Maintenance and Equipment Reserves into a Replacement Fund and, from the new fund, create an Emergency Fund of \$500,000. A resolution that terminates the Maintenance and Equipment Reserves and creates the Replacement and Emergency Funds will be presented for Board consideration on December 9, 2009.

The Executive Committee also directed the development of a reserve policy by the Finance Committee including fund definitions. The draft policy is presented today for your review and comment. This draft reflects input from MERA Auditor John Maher. Rock inquired about how the dollar amount for the Emergency Fund was developed and its ratio to the annual operating budget. Gaffney said the amount was based on a general discussion of possible system

emergencies and insured, uninsured and underinsured risk. Cassingham said the annual operating budget is \$1.6 million.

M/S/P Gray/Irving to approve the proposed MERA Reserve Funds Policy as presented and report this action to the Board.

Ayes: All
Nays: None
Motion carried.

4) Confirmation of Bi-Monthly Regular Executive Committee Meeting Dates and Time –
Remainder of FY09-10

Kinsey confirmed the Committee's agreement with the regular meeting dates of the January 13, 2010, March 10, 2010 and May 12, 2010 at 3:30pm.

5) Proposal from Marinfo to Update and Enhance Meraonline.org

Cassingham cited the website project as one of the Executive Officer's Work Plan goals. Marinfo has submitted a proposal in the amount of \$3,500 to freshen the website, archive additional documents and provide additional features and functions useful to the Board, Committee's and the public including membership lists, key reference documents, meetings calendar and more. She invited any other suggestions to improve its usefulness. Rzepinski inquired if there would be a Board secured area on the site since the cost to enhance it is too low to include security. Cassingham said all the information proposed to be added is public so no security feature was necessary. Kinsey confirmed the project cost was one-time and Cassingham will report the additional line item expense as a midyear budget adjustment from contingency.

M/S/P Gray/Kreins to approve the proposal from the Marinfo to update and enhance MERA's website at a cost of \$3,500 and authorize the Executive Officer to accept the proposal.

Ayes: All
Nays: None
Motion carried.

6) Other Information Items

Cassingham reported that, per MERA's April 2002 road maintenance agreement with AT&T Mobilty, Sonoma County and Verizon, MERA has incurred its one quarter share of the upper section repair costs for the access road at Bay Hill/Bodega Bay in the amount of \$5,901.25. This expense will result in a mid-year budget adjustment to the Replacement Fund to be presented to the Committee on January 13.

Cassingham said the MERA Strategic Planning Committee has scheduled its first meeting on December 9. Committee members Doyle, Pearce and Rodericks will review the strategic planning process, baseline issues regarding MERA organization and operations, undertake an

analysis of MERA's strengths, weaknesses, opportunities and challenges and discuss future meeting tasks and dates. Scheduling of the December meeting permitted time for the development of DPW technical information needed for initial Committee tasks.

Cassingham announced completion of the Forbes Reservoir demolition, asbestos abatement and site clean-up project. She inspected the site on October 27 and notified MMWD that the project was finished. The UST Removal Report including lab tests was provided to DPW as the permitting agency and no further action should be needed. One pending item on the site is the shut-off of the capped County gas line which requires DPW's authorization to PG&E.

E. Operations Reports(Mansourian)

1) Report on Additional Frequencies Installation Project

Mansourian said staff was working hard with Motorola on the project and equipment delivery was scheduled for mid-December. Installation should be completed one year from now.

2) Update on Tomales Site Coverage Project

Mansourian said the Sheriff and County are working on communicating to all the parties the importance of the project for public safety.

3) Updates on Other Coverage Analyses

Mansourian noted that the Tiburon project was discussed earlier in the meeting. He is awaiting a report on whether satellite phones provided to address Stinson Beach Highway 1 coverage problems are effective.

4) Status/Work Statistics Reports (Chuck)

None to report.

5) Other Information Items

Mansourian thanked the Operations Issues Group members for their participation. He said trainers and staff scheduled for training are not showing up. He asked for the Committee's help in reminding participants of the importance of training and to assure their attendance. He said DPW staff continues to actively monitor system maintenance.

F. Open Time for Items Not on Agenda

None to report.

G. Adjournment

Meeting adjourned at 4:40pm.

NOTE: **SPECIAL MEETING** of MERA Executive Committee
 Wednesday-December 9, 2009 – 2:00pm
 (PRIOR to Board of Directors Meeting at 3:30pm.)

Maureen Cassingham, Executive Officer