

MARIN EMERGENCY RADIO AUTHORITY

c/o Novato Fire Protection District
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“DRAFT”: 3-14 -11

STRATEGIC PLAN: SUSTAINABILITY SUBCOMMITTEE

MINUTES OF MARCH 2, 2011, MEETING

A. Call to Order

The meeting was called to order by consensus at 3:12 p.m. on March 2, 2011, in the Heritage Conference Room at the Novato Fire Protection District Administration Office, 95 Rowland Way, Novato, CA.

Committee Members Present:

City of Belvedere
Marin County Transit District

George Rodericks
David Rzepinski

Committee Members Absent:

Town of Ross

Tom Gaffney

Staff Present:

MERA Executive Officer

Maureen Cassingham

B. Appointment of Chair

M/S/P Rodericks/Rzepinski to nominate Gaffney as Chair.

AYES: All

NAYS: None

Motion carried.

Cusimano was elected Vice Chair by acclamation.

C. Review of Subcommittee Charge

Cassingham distributed copies of pages 46-52 of the Strategic Plan regarding the Subcommittee's charge to develop a long-term funding plan for the next gen MERA system for Board action within 12-18 months of Plan adoption. She noted Gaffney's long service as MERA's non-compensated Financial Advisor through the issuance of the 1999 Revenue Bonds for the current system, obtaining additional funding via a Project Note with a private bank and with the 2010 Refunding Revenue Bonds. Gaffney suggested a possible parcel tax to fund the next gen system at last year's Strategic Plan Workshop. Once the technology has been selected and the timing and costs are known, a public education plan needs to go

forward to generate awareness of MERA and its future funding needs. Rzepinski confirmed that \$50M plus will be needed to replace the current system.

Cassingham said the Sustainability Subcommittee was appointed as a subset to the Finance Committee to identify long-term funding sources, leaving the Finance Committee to work on near-future funding resources for current system, including time-sensitive projects like the possible relocation of MERA's prime site and the Tomales coverage project. The Governance Work Group, at its first meeting, noted that Sustainability's membership included all the Finance Committee's members except for Kreins and Hymel. Discussion ensued as to whether it would be more efficient and effective to have the Finance Committee, as a whole, work on the short and long-term funding plans.

Cassingham asked for input noting that any change in assignments would require Executive Committee or Board approval. Rodericks noted that page 49 of the Strategic Plan states, "As part of the current and potentially modified Finance Committee structure, develop a Sustainability Subcommittee focused on longer-term funding objectives". Cassingham said the Board subsequently appointed Sustainability members. Rodericks clarified that changing the structure back to the Finance Committee would not be in opposition to the adopted Strategic Plan. Cassingham agreed and noted using the Finance Committee to work on both plans would be a slightly different approach which would benefit from more members. Rodericks noted this change would likely eliminate duplicate effort since we may be using the same funding resources for short and long-term needs. It was agreed to recommend merging Sustainability with the Finance Committee. If subcommittees are needed to research specific resource options, they can be appointed. Cassingham noted that current project costs are estimated at \$12M and MERA does not have the resources to address them, let alone fund a new system. Conceivably given its \$1.8M reserves, MERA could fund the \$500,000 needed to keep the prime site at the Civic Center if the new County EOF materializes. Rzepinski noted that the costs of staying at the prime site may be more due to the possible need for redundant systems. Cassingham concurred and said the proposed \$5M cost to relocate could be more, depending on where the new site is. However, staying in a "seismically unsafe" setting may not be an option.

Cassingham reported that Mansourian will be discussing grant applications with the Executive Committee on March 9 to address current and future system needs. Rodericks asked if UASI grants will address next gen costs. Cassingham said she was not aware of the details at this point, or if there are external resources to build us a new system. Rzepinski said that most likely we will be piecing resources together. With this economic climate, it is all about cutting, not spending. Rodericks confirmed that grants are possible sources as is a parcel tax. He wondered if each member agency would have to give individual approval. Rzepinski questioned how the tax would be levied and whether it could be collected county-wide by the County. He noted the difficulty of passing a measure given the number of competing measures that may be coming up within the member agencies. Cassingham offered to research with General Counsel about how MERA would go about levying, if it could, a county-wide parcel tax. Rodericks asked about what would happen if one or more MERA members did not pass the tax and who would bear the cost of that. You can't not upgrade their part of the system. Cassingham said members could not likely opt out because what would they do for emergency communications.

Cassingham said the current MERA system was “sold” on the basis that individual member systems were breaking down and possibly not supported, so it made sense to buy into bond funding a state-of-the-art, county-wide system for all the member agencies. Cassingham said bonds might also be used to fund the next gen. At issue would be whether member agencies would have the burden of overlapping debt service for the current and replacement systems. Rzepinski said some members, like the Transit District, have already cut their MERA system usage and they may not want to stay. If data communications become primary to members, MERA might be considered a secondary system for backup. Cassingham said the possibility of weighted governance overseeing next gen could affect the Lando Formula funding. Whatever size the member agency’s budget is, MERA expense is still considerable. If larger agencies with greater costs have more say in next gen, where does that leave the smaller members or members that may have other options. Rzepinski said as cell companies get more sophisticated, like Verizon, they are looking at ways they can commit to dedicated coverage. If customers are willing to pay a premium, they will be assured of priority service. This may be another option from a commercial standpoint, as cell phone companies lead the charge with technological advances. More cell sophistication with guaranteed coverage may trump the MERA system and companies like Motorola. Rodericks said there would be no guarantee that a cell company might not offer other customers the same priority as they might to MERA, which could compromise service.

Rodericks asked if cellular networks could be overridden by any public safety network priority. Rzepinski said not unless the cell company got in the business of being the backbone of the public safety network. At this point, these would be marginal markets for cell companies in comparison to private cell phone users. When they reach capacity, they may approach new markets like public safety. Rodericks said this still might fit in with next gen, possibly as a hybrid, by helping shed some lower priority use to a system that is part of MERA but provided by a cell company. This may become competitive with companies like Motorola which has heretofore been the primary provider of public safety communications systems. Rodericks said for many agencies, it has been too costly to leave such established providers. Rzepinski said the morphing to Nextel has provided walkie-talkie and cell phone capability. He further noted that with the District’s moving to mobile data transmissions, which includes map information, they are able to substantially cut MERA radio usage.

Rzepinski asked what other funding options we are charged with developing that might reduce costs of the member agencies. Cassingham said members could realize some operating budget relief through the parcel tax suggested by Gaffney. The current debt service when retired would, through a parcel tax, supplant future debt service for next gen. Rodericks said this would be a big sell for the member agencies since property tax is logical support for a basic service like MERA. Cassingham noted that some elected officials of member agencies don’t realize that at some point MERA will not be supported and will need to be replaced by next gen technology. The MERA Board was wise to look ahead to address replacement and related funding through the strategic planning process. This is responsible stewardship.

Rodericks inquired about the JPA’s ability to implement a tax. We know it can issue bonds. Cassingham said, after reviewing the JPA Agreement, that MERA can incur debt through a variety of instruments; she would check with General Counsel on this. Rodericks said if MERA has no taxing authority, possibly a special district could be created to do so, like a CFD. Rzepinski said SMART was funded through a special County four-cent sales tax

measure. TAM likewise is funded through sales tax and Measure B formed a subcommittee of TAM non-paid volunteers to lead the Measure B charge to get it on the ballot.

He recalled a measure, possibly in Novato, to support paramedic services so there may be support out there for another safety-related measure. Cassingham said if we could explain MERA well enough to the public and have independent citizen oversight of the tax that would fund a new system, it might be successful. Another oversight option would be a committee of elected officials. Rodericks said Belvedere has a property tax on the books that could be voted on or re-enacted that is dedicated to public safety services. MERA and other public safety projects could be included to create their own local revenue generation to support it.

D. Framework for Work Plan Development AND E. Timeline for Work Plan

Cassingham reviewed the framework and timelines for development of the short and long-term financing plans. She noted the \$1.6M funding for the five new frequencies to increase system capacity was easy and virtually invisible to the members because it was funded with reserves. There are insufficient reserves to fund current projects unless we go back to member agencies who are already strapped to fund their own basic services. There is no sense of urgency for current projects unless you are directly affected member agencies. Rodericks confirmed that given the 12-18 month timeline to develop the short and long-term funding plans, it is important to know the status and role external funding may play in these plans. Cassingham said if these funds address technical assistance, not hardware, there are huge gaps to fill. Rzepinski thought grant funds will not build a new system.

F. Future Meetings

Cassingham will report on the discussion and recommendations from this meeting to the Executive Committee on March 9, particularly regarding the merger of the Finance Committee and its Sustainability Subcommittee and convening same as soon as possible to work on current and future project funding plans. Rodericks reiterated these plans are interrelated. Rzepinski asked if the mandate for the next gen system would be the same or would we be exploring other partners like private paramedic groups that could help fund it. Cassingham said that during the strategic planning process, partnerships with the private sector and commercial interests were discussed. Rodericks said as long as those entities understood our public safety priorities and that they would have a secondary status, he didn't see why we should not explore these relationships.

Cassingham said we may be looking at funding interoperability voice/data. Rzepinski said we might be able to market additional capacity to the private sector, like vehicle location information, as an example. Rodericks said security companies could have an interest in point-to-point radio connectivity without going back to dispatch. Rzepinski suggested MERA could be, in addition to public safety communications, more technologically useful to other users. This may or may not be something worth pursuing since we could lose our primary focus. Cassingham noted our system may be able next gen to float above to serve our needs while offering layers below for other users. Rzepinski noted that these designs might be able to help us pay for next gen. From a cost standpoint, we may be up against a \$50M project cost or something less based on fast-paced technological advances.

Rodericks said the MGSA, County of Marin and MEA are discussing rooftop solar panels, and one funding partner they are looking at is the Marin Community Foundation who might see this as an investment opportunity. Rzepinski said the MCF likes to target one-time support related to their stated fields of interest. Rodericks said 911 cuts across all populations. Cassingham said the P.R. consultants she met with feel police and fire are very believable ambassadors for the criticality of public safety communications. Telling MERA's story cuts across many fields of interest. Rzepinski reprised TAM's Measure B video as focusing on what you would get and the target populations served, like seniors. MERA might consider similar messages. Cassingham said we need to clearly determine when the current system will die to underscore the need for the new technology since there will be concern about potentially paying for two systems.

G. Other Information Items

None.

H. Open Time for Items Not on Agenda

None.

I. Adjournment

The meeting was adjourned at 4:50 p.m.