

MARIN EMERGENCY RADIO AUTHORITY

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MERA STRATEGIC PLAN GOVERNANCE WORK GROUP, FINANCE COMMITTEE AND OUTREACH SUBCOMMITTEE

MINUTES OF SEPTEMBER 20, 2011 JOINT MEETING

1. **Introductions – Facilitator Tom Robinson, CBG Communications, Inc.**

Robinson convened the joint meeting of the Governance Work Group, Finance Committee and Outreach Subcommittee at 1:03 p.m. on September 20, 2011, in the Heritage Conference Room at the Novato Fire Protection District's Administration Office, 95 Rowland Way, Novato, CA 94945. Self-introductions followed.

Committee Members Present:

County Sheriff	Robert Doyle (Outreach)
City of Novato	Joe Kreins (Outreach)
City of Belvedere	George Rodericks (Governance & Finance)
Ross Valley Agencies	Michael Rock (Governance)
Marin County Transit District	David Rzepinski (Finance)
Town of Ross	Tom Gaffney (Finance)
Tiburon Fire Protection District	Richard Pearce (Governance)

Committee Members Absent:

County of Marin	Matthew Hymel (Governance & Finance)
City of Larkspur	Robert Sinnott (Outreach)
City of Sausalito	Jennifer Tejada (Outreach)
Inverness Public Utility District	Scott McMorro (Governance)
Twin Cities Police Authority	Todd Cusimano (Outreach)

Staff and Consultants Present:

MERA Executive Officer	Maureen Cassingham
CBG Communications, Inc.	Tom Robinson
Indie Politics	Dan Mullen&Terry Price

Cassingham summarized the purpose of today's meeting as a time for mutual updates on work to date by the three groups, coordination of future work, discussion of a Strategic Plan change process and future communications between the groups.

2. **Updates from Governance Work Group, Finance Committee and Outreach Subcommittee on Strategic Plan Implementation (Rodericks, Gaffney and Kreins)**

Rodericks reported on the 20+ hours the Governance Work Group has put in to date as set forth in the 8-19-11 Review Draft Proposal for a new Governance Structure for MERA. He

noted the proposed Vision Statement, Core Values and Principles of Governance. The Vision Statement will be of help when MERA begins its “jargon-free” outreach efforts to the community. Core values were narrowed down to six and they convey MERA’s ideals. Governance principles set forth the responsibilities of the Board, Executive Committee and Officers. Governance has discussed changes in Board size, composition and voting formula and Lando funding formula. Size of the Board should maintain connection to and ownership of what MERA does. Governance is recommending that the full Board be maintained for annual budget and indebtedness decisions. It is also recommending creation of an Executive Board as depicted by the grid with nine boxes shown in the PowerPoint. The Executive Board would oversee MERA’s day-to-day operations and would consist of a representative of the County, San Rafael, Novato, Sheriff/OEM, Police, Large Fire, Small Fire, Other Municipal and Special Districts. Rodericks said there will probably be a need for a public component like an oversight committee or involvement of elected officials if MERA seeks a parcel or sales tax for a replacement system.

Robinson said Governance is seeking feedback from Finance and Outreach on their draft proposal and that it should be sent to Cassingham for distribution back to them. Input will be considered for incorporation in the document. The goal is to deliver recommendations to the Executive Committee and Board. Cassingham requested all feedback by October 15. Rodericks noted that there was discussion on updating the Lando Formula with actual member usage which should be trackable by the new system. Robinson said the original formula factors, like the coefficient for usage by agency type and population, have not been updated. Kreins said with the current system, we have a good idea about usage based on DPW statistical reports. Gaffney said MERA originally did not want a direct tie to usage which could have a dampening effect on calls, but he and Kreins agreed it should be a general factor. Rodericks said whatever factors are decided on, they should still reflect the ownership of MERA.

Robinson clarified for Gaffney that the composition of the proposed nine-member Executive Board is close to the current Executive Committee. He said it is still an option for the Executive Board to be a subset of the Board. The proposal includes a Novato vote and calls for Large and Small Fire votes. There would be a Police vote versus the current Police Association representative on the Executive Committee, which is a non-voting member. The County would have a vote as would the Sheriff/OEM. Doyle inquired why the Sheriff’s vote would include OES since it is a planning agency that works with cities on emergency preparedness. Rodericks said the two were combined to help the public understand that emergency services are covered. Kreins said this could assist with community outreach but OES has nothing to do with the operations of the emergency radio system. He said Public Works appears to be left out. Robinson said the proposed structure delineates that County DPW contracts to serve MERA, so their vote could be construed as a conflict since they are staff. They could be an ex-officio member. Rock said the question is that Public Works should be represented like Police and Fire since they are a significant and critical user of the MERA system. Including them in Other Municipal puts them in with the small cities. Rzepinski asked if all DPWs should be included with County DPW in that the County functions differently with MERA. Robinson clarified that this is about representation of the ten other public works agencies and asked if they could be represented by their cities.

Rock responded that police and fire could also be represented by their cities. Doyle acknowledged the potential awkwardness of having County DPW on the Executive Board as

part of Public Works since it is responsible for MERA System operations. Doyle said if the current Board is retained, the large and small members would continue to have equal votes. He inquired if there was any discussion about weighted votes. Robinson and Rock described long discussions about this. Robinson said there was talk about eliminating the full Board in favor of a nine-member Board because all would be represented anyway. However, unless some of the smaller entities had an equal vote on financial matters, they might not support that. The JPA agreement requires a two-thirds vote of all the members to amend the structure. Their approval of an Executive Board would likely be contingent on still having a say on budgets and indebtedness. The proposed Executive Board would enable quicker action on day-to-day operations and bring greater expertise to those decisions. Gaffney recalled the JPA having a unanimous vote requirement and that a two-thirds vote was required for minor amendments. Cassingham confirmed the 2/3 requirement.

Gaffney suggested one representative for Police, one for Fire and one for Other Municipalities. Rzepinski and Gaffney noted the Special Districts vote and there are few MERA special district members. Gaffney supported Other Members, and have three at-large. This would be Police, Fire and Other Municipal. Pearce added that fire municipalities are totally different than fire districts. Robinson said Governance talked about commonalities of interests between members represented by the boxes in the grid versus at-large. Rock said this should be considered a policy-making board not representing operating issues. The representatives would be City Managers or elected officials who have the authority and knowledge to make important policy decisions. Operational issues would be dealt with at the operational level with County DPW working with system users on day-to-day issues. Rock and Gaffney noted that this structure under-represents municipalities.

Robinson said at one point there was discussion about Southern and Northern municipalities being represented in addition to San Rafael and Novato. Rock said some of the smaller members have expressed a willingness to give up their seats if they believe they will be well-represented. We should not assume what members won't do. Robinson asked again for feedback to Cassingham, noting that nine members is not a sacred number but it is typical of many boards. Gaffney said what is driving the big agencies on the Board is that they are paying more money. With the proposed financing plan, they will not be. The financing would be per property owner. Rzepinski said his experience with the current Executive Committee was that is where matters were discussed in detail and recommendations made. The Board is so large that it relies on these recommendations. He inquired whether the proposed Executive Board will replace the Executive Committee. Robinson confirmed it would for most of the policy-making decisions, while the larger Board would vote on budgets and indebtedness. Pearce noted that the proposed structure could be transitional to a five-member Executive Board. Robinson agreed that support for a radical change in governance might be difficult to obtain while a transitional structure gets what is needed for a next gen system and can be adapted over time. If the Executive Board concept works, members may decide the larger Board is no longer needed. Doyle noted that there has been almost no dissension within the Executive Committee and decisions are made in the best interest of everyone. Robinson said the public, if asked to help fund the replacement system, will want a nimble structure to do MERA's business and that it represents the people.

Cassingham reported on the Gen Watch 3 System Usage Tracking Software quote obtained by DPW for the Governance Work Group. If future funding formulas include actual member usage versus the usage percentages currently provided, this type of software will be needed.

Current estimated cost is \$97,000; however, questions remain about staff time required to use it and more. If MERA acquired this software now, it would have to work with the next gen system. It is also unknown whether next gen will include this which may make a software purchase at this time redundant. She will work with Craig Tackabery, MERA's new Operations Officer, to obtain more information and determine total costs. Rzepinski clarified that the \$100,000 is a one-time cost that may require additional funding to use and update it. Robinson noted Gaffney's concerns about the need for such precision tracking as part of a funding formula.

Cassingham said the Finance Committee had requested a 700 MHz Feasibility Study from DPW at their May 25 meeting. She will work with Tackabery on its status. DPW provided the Marin RFP Review Panel Summary of the Harris and Motorola submittals dated November 10, 2010, and a 700 MHz P25 Phase 2 Cost Comparison. The Feasibility Study is intended to provide information on system costs, the timing of funding, construction timeline and identify other issues associated with project implementation MERA should be aware of. Robinson said a presentation regarding the BayWEB Project was made to the Executive Committee on September 14 and more information will be needed by the Strategic Plan Implementation Committees on costs and how it integrates with the 700 MHz next gen system. The MERA Strategic Plan contemplated next gen interoperability with data transport for public safety. Included in BayWEB, which is a Bay Area-wide project funded by a Federal BTOP grant, is public access so many new issues are raised by it.

Gaffney reported on the possible funding sources the Finance Committee has been reviewing over the course of several meetings. Current MERA financing is from member payments for operations, revenue bonds and a project note. The Bonds and Note mature in 2021 and they total about \$2.3M annually. These obligations will come off member agency budgets in 2021. The new financing plan will integrate what we are doing now. MERA will need about \$59M to fund new major capital projects. Gaffney presented the capital financing alternatives handout under review by the Finance Committee. He said the best financing plan comes from a series of sources. The public will expect grants and low-interest loans to be part of the plan. Grants are usually project specific and under \$5M. The member agencies will probably have to continue their operating contributions. Members will be able to drop \$2.3M in annual bond and note costs in about 10 years, so this will offset their costs. Other supplemental alternatives include a property tax, parcel charge and sales tax. There would be public support for a police/fire project which, if approved, could provide \$4M per year towards a \$50M bond issue. This represents \$36 per year for a \$500,000 home. It would require a 2/3 vote which would be difficult but doable with grassroots support. A negative campaign would make 2/3 impossible. A parcel charge based on a revised parcel estimate of 96,000 would generate about \$3 per household per month. A .25% sales tax would raise \$9M per year county-wide. All these sources will require a vote. A parcel charge is a two-step process where there is a 50% vote. A utility user's tax was discussed but it uses the "tax" word. Finance has been using the Plan estimate of \$50M+ for the replacement system.

Pearce said, the proposed funding plan should include the new EOF and CAD systems which the original bonds did not include all related projects. This would free up additional incidental charges to members. Mullen inquired about these costs. Pearce said the CAD estimate is \$6M. He said all in project costs would have public appeal since no further funding approval would be needed for a long time. Gaffney said, anything \$50/home/year or over is a breakpoint. Doyle confirmed with Mullen that he and Price assisted Twin Cities

with their facilities measure. Mullen said photos of antiquated dispatch wiring were used in ballot information. Price said on-campus officers and safe routes to schools were included in the measure which helped with voter approval. Mullen said per-household dollar amounts would be poll tested; 15% is built in as opposed and 50% would be built in to approve. The question is how to get at the next 17% which you can get to by incorporating in special public programs. Price said the \$50 max per household depends on the economy and public mood. He said there is now more resistance in Marin County to tax measures. Price acknowledged it makes sense to throw in related projects since they can expand voter support. Mullen said a sales tax would have a tough time because of SMART. Given the economy, \$36 sounds good. Gaffney clarified the Prop 218 requirement of a public protest hearing for a parcel tax and said this is what Ross Valley did. Mullen said any ballot measure should be transparent to voters who may focus on the project cost versus household expense.

Gaffney said a funding measure would likely be run through the County and MERA members would contract with them for one election. Mullen said it would be important to know about any other measures at that election. Gaffney said the timing of the election is unknown and dependent on the DPW Feasibility Study. Pearce said CAD funding has a five-year timeline. Rodericks said local emergency response is impacted by Marin County's transient population including tourists and workers from outside the County. A sales tax, including these populations, might resonate well with voters. Mullen said Marin is not a huge tourist destination and voters might want hotels taxed which won't raise enough money. Price said the real test of support is a poll which would cost \$20-30K. Rock said this might be a third county-wide sales tax behind SMART and Transportation tax. He said the Town of Fairfax has a 1/2¢ local sales tax on the ballot this November so it would be a fourth. Marin General Hospital is coming on the 2013 ballot. Price said whatever the strategy, it will not be easy. Gaffney said, as a member of the Finance Committee, he is leaning towards a parcel charge which involves an Engineer's report and aims the charge at the various parcels which is not an easy task.

Rock asked how BayWEB fits into all this and if should it be included in the financing plan. Cassingham said this is the public safety broadband data side of the new technology which MERA is being asked to consider. While there is Federal funding to develop it, it would require ten MERA sites to house the equipment, so new leases would have to be negotiated, which could increase rental and utilities costs and trigger environmental review. Doyle said this is probably not possible given the funding timeline. Robinson noted the additional challenge of differing agency contracts with MDT providers. Doyle also noted the internal issues between South Bay and North Bay. Robinson asked Gaffney to clarify the need for some citizen participation based on the likely use of public funding. Gaffney said it is clear public funding will be necessary which includes citizen oversight. Rzepinski said any such measure needs a champion to assure public approval, like a group of citizen volunteers. A recent example of this was the additional \$10 vehicle registration fee where TAM involved a citizen volunteer group to drive it. This surcharge loophole is now under challenge by a proposition identifying it as a tax. Mullen noted it is rare to get passage of a large measure led by citizens. For example, SMART relied on political leadership. He said MERA might have to look at police and fire for leadership.

Gaffney said we do not need to authorize debt; we need to find a revenue source to finance what we need. A parcel charge in Marin would get a AAA rating and bonds would be snapped up. Rodericks asked Gaffney if MERA members would still fund operations. He

said legal help would be needed to determine if parcel charges could fund operations. He suggested working on the Lando Formula for operating costs and use the funding source for capital projects. Rock asked if the parcel charge could relieve MERA of the current debt. Gaffney said the question is could we change the current bond revenue source when we promised the bond holders the members would pay, which is reinforced by the Property Tax Intercept. Rock said probably not as the current bonds will be paid for in 2021. Kreins said there could be a problem in incurring new debt while paying for the current bonds.

Robinson noted that MERA's internal and external communications are critical to the efforts of all three Committees and asked Outreach Subcommittee Chair Kreins to present their efforts to date. Kreins noted Indie Politics Phase 2 Recommended Actions Report which was developed by Mullen and Price. Their objective conclusions are what we would all agree with. Actions needed prior to a public education and outreach campaign include resolution of governance, agreement on system needs, cost and timing and future financing options. Ahead of all this, internal communications planning must be undertaken to resolve current issues. Mullen noted his and Price's past experience in working on internal and external communications. Bringing these Committees together to better coordinate efforts is critically important. In looking at MERA, they noted that internal communications needed immediate attention. They have reviewed the Strategic Plan and the website and have met with a number of MERA stakeholders including Gaffney. Their recommendations include formalizing of the sign-off process for communications to assure accuracy, consistency and coordination of responses to frequently asked questions and more. They are also recommending certain fixes for organizational fragmentation involving work of numerous committees. They also see the need for developing appropriate and consistent representation. MERA is a longstanding organization that will need political support and more, as it seeks public supported funding. He noted the turnover among elected and appointed officials as a challenge. Identification of the best and most appropriate people to offer consistent representation of MERA is a part of this challenge. Development of a Fact Sheet and FAQ are critical for consistent communications, externally as well as internally, to unify messaging. Once unified messaging is developed, presentations can be made to councils and governing boards. Internal work needs to happen first for consistency and accuracy in messaging.

Mullen said they recommend that the MERA marketing campaign identified in the Strategic Plan be postponed, expense and timing-wise, and aligned with the timing of a funding campaign. He and Terry are developing revisions to the outreach portions of the Strategic Plan that include combining the funding campaign and public communication strategy, delaying the multimedia upgrade to the MERA website, pursuing an internal communication upgrade to the website to better educate MERA members through possibly a blog or other features and developing video for presentations while holding off buying airtime or using PSAs.

Kreins said whatever is presented to elected officials will be critically important and should be done before any outreach. Without their support, any campaign will be doomed. How and when this is done must be strategized and accomplished before proceeding. Gaffney noted MERA has two publics, namely our elected officials and our citizens. MERA will need resolutions of support from all its members. Price said presentations to governing bodies will also be used to inform the public. Governance issues should be resolved before these presentations to avoid any uncertainty or negativity. He and Mullen are recommending

a change in the timeline of the Strategic Plan that coincides with going out to the public for funding. A process should be in place to make changes in the Plan. He said we need to make sure cross-fertilization between committees is in place before proceeding, such as sharing the information about CAD being rolled into the financing.

Robinson clarified that the internal and outreach campaigns are predicated on knowing the governance and financing pieces. Price noted that Governance's recommendations are on or ahead of time, but hiring a P.R. firm for MERA as recommended is premature. They will address a new timeline and priorities for public outreach. Pearce asked about their approach to videos. Price said they have not gotten that far. Audiences need to be identified and Outreach needs to work with the other committees regarding their communications needs for governance and financing options. Mullen said initial outreach will likely be targeted to elected officials and other MERA stakeholders. Kreins said elected officials have differing degrees of knowledge about MERA with some newer officials having none. Robinson said there is a need to bring the Board members up to speed on MERA as evidenced in the Board assessment survey. Gaffney asked about the extent of outreach before a ballot measure. Mullen said they believe they cannot get public funding support, which requires unified messaging, without better internal communications. Price said we need outreach to get a measure passed, but before that we need to know what the facts are and what the message is, and it takes time to get agreement on these. In Corte Madera it has taken months to get agreement on the FAQs. Gaffney said a battle on governance would kill a bond measure. There was general agreement among the members that governance should be resolved first. Rock summarized that all internal issues should be addressed first before a public campaign.

3. Discussion of Work Product Coordination

Robinson said work products need to be handled in a sequential manner before other tasks can be undertaken. He noted that there are certain prerequisites for moving forward such as completion of the DPW Feasibility Study to meet the timeline for presentation of recommendations to the Executive Committee and Board. Cassingham developed a MERA Strategic Plan Implementation Committees Spreadsheet which outlines charges, timelines, tasks to date and steps needed to proceed. Robinson summarized, for example, the Governance Work Group's efforts to date. The options reviewed anticipated future public financing and thus a need for elected officials' representation on the proposed Executive Board to assure voters their interests would be presented. The Work Group has been in a holding pattern on a final recommendation since financing has not been finalized. The goal is to get the governance recommendations to the Executive Committee and Board in November/December, which would permit member agencies to amend the JPA thereafter and resolve this important piece before outreach can begin. Mullen and Price discussed the importance of an active signoff process by Committee members via email to move recommendations forward so that silence cannot be construed as consent and we do not get dissenting comments out of the blue.

In conformance with the Brown Act, Cassingham should be provided Committee members feedback on the Governance report by October 15, and she will then summarize and distribute the comments back to the Work Group. Members should state their comments or state they have no comments. Rock said this has to be an active affirmative process since we are talking about restructuring MERA governance. Robinson said the more sign-off possible before the Board meeting will be important to momentum leading to final action.

Gaffney asked if elected officials who may know little about MERA are going to be appointed to the new Executive Board. Rock said we could appoint existing Executive Committee members and transition appointments to elected officials as they become more familiar with MERA. Robinson said how the representatives are appointed to the new structure will be a significant area of discussion by the Executive Committee, including whether existing Executive Committee members initially fill these slots. Robinson said a citizens committee, including elected officials, could also be created if public oversight was needed for a ballot measure.

Rock said Fairfax uses oversight committees for all their municipal measures. He said the proposed Executive Board is a operational policy-making structure versus a political policy-making structure. Representatives should be able to recommend based on technical input from their front-line staff.

Robinson summarized the active sign-off process as providing comments and having no comment. The process should not be held up due to “no response.” Doyle asked which members would occupy the grid boxes of the new Executive Board and how the representatives would be selected. Robinson asked for member input on these areas including whether representatives should serve on a rotating basis on behalf of their subgroups. There was some discussion about the composition of “Other Municipals” and whether it included cities and towns other than San Rafael and Novato. Rock said there are then nine agencies in one slot. Doyle referenced the Alaska model as one option which has five representatives for the entire State. Robinson said there was no perfect way to categorize the proposed slots and Governance was open to suggestions and of the nine proposed, which agencies would fit into each slot. Pearce said if there is a trust, he could see the proposed nine-member structure transitioning to five. Robinson noted that member terms of office could be established like the current Executive Committee or left to the group or agency they represent. Robinson said it would be up to the groups or agency in each slot to determine the qualifications of their representatives. Rzepinski discussed the Special Districts grid box and the number in it and how they should be represented.

Gaffney said governance recommendations should not need to wait on a financing plan and suggested that a citizen’s advisory group that might include elected officials could be added later. Rock said representatives to the Executive Board should be selected based on their ability to help with an election along with a citizen’s oversight committee.

Robinson said a date certain is needed for completion of the DPW Feasibility Study to get the Finance Committee what is needed for additional analysis. The issue of additional towers and costs is critical. Cassingham said identification of project milestones and a timetable for financing is also critical for all three committees.

4. Process for Strategic Plan Changes and Suggested Changes to the Plan

Robinson summarized the proposed process for changes to the Strategic Plan to be submitted to the Executive Committee for recommendation to the Board. For example, the Mullen/Price proposed revisions regarding the outreach sections to the Plan will be submitted to the Outreach Subcommittee, which in turn will submit those recommendations to the Executive

Committee and Board. He said that the Board could authorize the Executive Committee to make future changes.

There was consensus that any revisions to the Strategic Plan be presented to the Board on an annual basis at their December meetings versus waiting for the three-year previously Board-approved review period. Specific changes would be proposed to the Executive Committee by a MERA member, work group, Committee or Subcommittee. The Executive Committee would review and recommend proposed changes to the Board for updating the Strategic Plan. The Outreach Subcommittee will review and recommend changes to the outreach sections of the Plan for action by the Executive Committee and Board in November and December.

5. Future Communications between Governance Work Group, Finance Committee and Outreach Subcommittee

After some discussion, there was consensus that there be regular joint meetings on a quarterly basis and that the DPW Next Gen Advisory Committee be represented.

6. Other Information Items

None.

7. Open Time for Items Not on Agenda

None.

8. Adjournment

The meeting was adjourned at 3:03 p.m.