

# **MARIN EMERGENCY RADIO AUTHORITY**

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**DRAFT: 4/4/12**

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

### **MINUTES OF MARCH 1, 2012, JOINT MEETING**

#### A. Call to Order

The meeting was called to order at 4:17 p.m. on March 1, 2012, in Conference Room 315 at the Marin Civic Center.

#### Committee Members Present:

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

#### Committee Members Absent:

Twin Cities Police Authority	Todd Cusimano (Outreach)
Inverness Public Utility District	Scott McMorrow (Governance)
Ross Valley Agencies	Michael Rock (Governance)
City of Larkspur	Robert Sinnott (Outreach)
City of Sausalito	Jennifer Tejada (Outreach)

#### Staff and Consultants Present:

MERA Executive Officer	Maureen Cassingham
MERA Operations Officer	Craig Tackabery
MERA General Counsel	Jim Karpiak
DPW Communications Manager	Shelly Nelson
NFPD Recording Secretaries	Denise Wade & Betty Box
CBG Communications, Inc.	Tom Robinson (via conference call)
Indie Politics	Dan Mullen

B. Minutes from September 20, 2011, Joint Meeting of MERA Strategic Plan Groups

*M/S/P Kreins/Doyle to approve the minutes from the September 20, 2011, Joint Meeting of MERA Strategic Plan Groups, as presented.*

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

C. Update from Finance Committee

1. Status and Discussion of DPW 700 MHz System Next Generation Feasibility Study

Cassingham reported that the Finance Committee, during its meeting preceding this one, briefly discussed the draft cash flow analysis for the 700 MHz next gen System prepared by Tackabery. She noted that the 700 MHz System draft study had been circulated to the Finance Subcommittee Members Gaffney and Hymel and will be presented at a later date to the full Finance Committee. She said additional sites will be needed for this System which will have an effect on the project timeline.

Tackabery presented the draft study to Revere, Hymel and Cassingham on January 20. The result of that presentation has accelerated review of the replacement system given its projected 5-year construction timeline, increasing maintenance challenges for the current system, possible financing overlaps and the extent of internal and external education required to support it.

Tackabery summarized components of the study which include scope, what we are trying to accomplish, costs and timeline. The County's RFP under BAY RICS provided a detailed scope and costs estimating the project at \$50M as previously shared by Mansourian. The 5-year construction timeline provides for the required additional sites and related property acquisition and environmental process. There are options and some flexibility on the implementation side such as starting now with acquiring the new sites followed by construction of the bigger system over the next few years. He noted more users like water and sewer districts would allow the costs to be spread further. He also mentioned a grant strategy that would identify funding for this type of project. MERA would need to fund grant writers to aggressively pursue these opportunities. Hymel clarified that the study contemplates \$5M in grant funding. Tackabery noted there are formula grants through UASI for regional use where Marin has tried to capture its fair share. There are also large State and Federal competitive grants which take considerable effort to apply for. Formula grants would be in the several-million-dollar range.

2. Discussion of Current System Operations

Hymel asked Tackabery to review current system operations. He talked about the current system's obsolescence since many of its components were purchased in 1998. Since 2004, we have not been able to expand the master site which has limited the System. All other components have a similar sunset. In 2007 simulcast/voting CH prevented adding more channels and we couldn't add any new sites which affect

capacity. In the future, some components will no longer be supported. Nelson has done a great job with other agencies with similar systems who have upgraded, giving MERA a cachet of parts. It has been hard to predict when some parts will no longer be available. Beyond 2019, it will be harder and harder to get parts and system reliability will start to decline, which is 21 years from original purchase of the System.

Hymel asked if current system operation was doable to 2019 and if there will be increased operating costs. He said the challenge we have is an older system that is becoming or may be obsolete and a new \$50M system which we are trying to fund without impacting the agencies. The question is what operational risks do we have while trying to raise replacement funds. How far out can we go before the current system becomes significantly more costly to maintain along with facing significant risks. Hymel said, based on what is being outlined, funding is needed by 2014. It will take 5 years to implement the new system and 2019 is the last timeline for the current system. Nelson said the maximum timeline for the current system is 2018. Kreins asked if this maximum is due to things becoming so obsolete. Nelson said there is only so long you can find parts. Kreins also asked how can we quantify this for the purposes of outreach and how critical this is to public support for a parcel tax. He asked if we could predict a certain percentage of failure by dates certain. Nelson noted, for example, that the 6809 controllers at each site were no longer supported after 2009. She has been able to obtain spares. No repairs are possible at this point. Based on part failure rate, she said 2018 is as far as we can go and there is risk. Kreins said it would be important to know the percentage of failure at say 2015, 2016, 2017 and what the increased operating costs are along the way to the point of potential catastrophic failure. In response to Hymel, Tackabery and Nelson said that support costs will increase exponentially. They have done some estimating but it is difficult to predict, and at best, an educated guess.

Rodericks asked, if some parts fail, will the system all go down at once. Nelson said it depends on what fails. Rzepinski asked what if you have no more parts. Nelson replied that you are down. He asked are you down system-wide and she replied it is dependent on the part. Mullen asked if Nelson could compare the system to a car whose parts are no longer being made and depending on which part has failed, you may still be able to drive it. Nelson said this is much more complex. One failure in a given area may be important to the immediate area being served but may not affect the whole system.

Gaffney said to avoid what happened with the current system, which we bought and then it sat in a warehouse for 5 years before construction, we need to build it to the extent we can and then buy the equipment to minimize the obsolescence. This cannot happen again. Getting sites on-line first and minimizing overlap of the bonds is important. Kreins said he supported the idea of ramping the project up as suggested. Pearce noted that planned obsolescence is a nightmare along with short vendor support time.

Mullen asked if everyone had seen the cash flow projection spreadsheet. He asked if we were discussing flipping the timing of the \$16,650,000 in equipment costs in the schedule. It was agreed that was being considered, especially given the limited

vendor support of the system. Hymel asked Tackabery to review the cash flow. Hymel noted every year we don't go forward with this project, we risk operational failure. If you are taking a strategy such as doing the sites at the beginning, it will take funding which will hit our members or we will need grants. It will take investment to shorten project timing. The system price tag, if we are not successful with the voters of \$50M, financed over no more than 20 years with a 12 year useful life, will cost twice as much as the current system for our member agencies. In response to Rzepinski, Tackabery asked if member agencies would be willing to do some front loading before they ask voters for help.

Gaffney said a parcel charge could be flexible in getting some things going. Mullen said it was impracticable to go to the members before going to the voters. Hymel said this is what we least likely want to do since we have been saying, let's build a case to go to the voters first and eliminate new debt service for the members. He asked, to buy more time, are there other strategies beyond waiting for project funding that will take 5 years to construct. The question is, are there pieces that are not expensive that will keep you going towards the next gen system while awaiting greater funding at a later date. Ideally, grants could be helpful with this.

Hymel and Kreins discussed the County being the largest payer of the current system at about 40% of operating and debt. New system costs would double. Kreins said this example could be used with elected officials who might be reluctant about a parcel tax. Cassingham clarified that current indebtedness would be retired in FY20-21 and that MERA currently has \$1.8M in reserves and would have available a bond reserve of \$1.8M when the bonds are retired. Tackabery said DPW is working on early delivery of the sites at Tomales and Southern Marin. Hymel said the ongoing assumption has been to maintain what we have; however, there may be some investments we will need to make to keep the current system functioning.

3. Third Party Review of Current and Replacement Technology

No discussion.

4. Discussion of Draft Replacement Technology Funding Resources Matrix

Gaffney summarized the Funding Alternatives Matrix he developed dated September 20, 2011. Cassingham clarified that this had been introduced at the September 20 Joint Committee Meeting and it needs a timeline for the most likely sources. Hymel said it was important for the members to understand what range of funding options we are considering. Gaffney noted grants have to be included in system funding strategy to the extent they can be realized. Member agency contributions should continue as is and for future system operations. Property taxes are a possibility. Hymel noted that there is a question as to whether they can be used for everything that is included in the project. Gaffney said that some of the costs in Tackabery's spreadsheet are operating costs. Tackabery noted that costs like warranties may not be financeable. Gaffney said sales tax is another option at a quarter cent and however it is subject to Prop 218 requirements. Low-interest loans are a less likely option.

Gaffney said, barring other ideas, it seems that the parcel charge is the most flexible and that a 50% threshold is needed via a mailer to every parcel after a noticed public hearing. The specifics of this option will be reviewed with Legal Counsel.

Hymel noted the 911 telephone fee as another option. Kreins said the access fee is still mired in the courts. Decisions in Stockton and the Central Valley have gone against it per Prop 218 in that it was found to be a tax, not a fee. However, he said there are no definitive rulings. Gaffney said what we are looking at is a combination of funding sources including a parcel charge for capital costs, member charges for operating and grants for capital. Rodericks mentioned a hotel tax which affects non-residents. Gaffney and Kreins said it is an unpredictable source of funds and not a big dollar amount. Gaffney also said it is not a good source for debt service. Hymel said the combination funding hinges on whether we can be successful with a parcel charge. Mullen noted that timing is critical to the success of a ballot measure. Hymel said timing is also an issue when other issues are on the ballot.

5. Other Information Items

None.

D. Update from Outreach Subcommittee

1. Proposal for Additional Communications and Long-Term Funding Consulting Service and Timeline – Indie Politics

Kreins said the Subcommittee is recommending Executive Committee approval of this second proposal from Indie Politics for \$75,000 which continues the outreach work that is being done. He noted the tasks performed to date, proposed deliverables and timetable for the next 20-33 months including finalization and use of the draft Fact Sheet and FAQs. Mullen said the strategy is to get organized internally first with member agencies, elected officials, local and regional boards and stakeholders. We need a united front internally and then ultimately take our message to the voters. Should things get confusing with voters, we will have allies in the community who can correct misinformation and speak factually on the issues. We need to anticipate a level of organized opposition which can easily kill a two-thirds or 50% vote needed for passage. Even with good will for public safety, our arguments can be used against us, so we need to be prepared.

Kreins said it will be important for police and fire to reach out to elected officials and other groups with presentations and opportunities to ask questions about this public safety measure. We will need unanimous buy-in for project support. Tejada said timing is very important and that awareness and education of elected and appointed officials is key to their support. We cannot broadside them with a project of this magnitude as they move into future budget cycles. These efforts must continue as we work with newly elected and appointed officials. Mullen said this process does require time for this information to sink in and allow questions to percolate and be addressed. He said the ability to get this done by 2013 is challenging at best and they are trying to get this pushed back to November 2014 to get the big picture out. Polling will help with messaging. Pearce noted the importance of planning with next

gen elected officials who may have more technical background and could oppose if not in agreement with the recommended system.

2. Possible 2014 Public Safety Ballot Measure for Replacement Technology

- Current and New MERA Members Participation

Kreins discussed the importance of early identification of current and new MERA members' participation in funding the next gen system before proceeding with outreach. This includes the possibility of some members leaving the system and turnover of elected and appointed officials within these agencies. He has also started discussing the importance of working through the managers to bring elected officials back to the table to get them involved with MERA and its future needs by attending our meetings.

3. Draft Fact Sheet and FAQs

- Public Information Presentations

Hymel said we need a better, cleaner description of the next gen system for these documents including what it will do, why it is needed and that it doesn't pay for staff salaries and benefits. He added the need to clarify the 50% versus two-thirds threshold for a tax to fund the project. Tackabery mentioned the Contra Costa Water District 50% measure and voter educational pamphlet which could be a model. Mullen said it would also be valuable to publicly explore system financing options. Mullen asked that further input and comments on the Fact Sheet and FAQs be forwarded to Kreins and him. He and Price will meet with Tackabery for technical information clearance. Gaffney suggested adding a map of the service area to the Fact Sheet.

- Kreins commented on the need to identify public safety leaders who will be knowledgeable about the project and participate in public information presentations along with officials with financial and technical expertise. Hymel said it would be important for public safety to take the lead. Tejada noted the importance of public safety working with the consultants in developing presentations and strategic, effective answers that address even anti-public safety responses. Mullen said polling may identify the need to expand system participation to include schools which we can address at that time.

4. Advisory Input from Members on Replacement Technology

Kreins said it was important to bring back the Technology Committee or Subcommittee as a touchstone group to keep public safety leadership in the loop with options and changes. Nelson clarified that the original group was a panel convened by Mansourian to review 700 MHz replacement system proposals in 2010. Pearce said 2017 technology might offer a different next gen system. Nelson advised that

there is movement to a standardized off-the-shelf platform with a software base that is upgradable. Right now we are hardware-based technology whereas the new technology will be software-based. Servers may need to be replaced to accommodate these software applications. Kreins asked about public safety's success in getting the D Block set-aside for a public safety channel for data only. She said Congress passed it and it is going forward for comment and rule-making. It may be ready in 10-15 years for VOIP.

5. Other Information Items

None

E. Update from Governance Work Group

1. Proposed Amendment No. 5 to Joint Powers Authority Agreement Creating the Marin Emergency Radio Authority Re: Executive Board

Robinson briefly summarized the last meeting of the Governance Work Group wherein they reviewed the draft Proposed JPA Amendment No. 5 and Restated Bylaws developed by General Counsel Karpiak to create the Executive Board governance structure. Focus of the review was to assure both documents coordinated well and met the expressed desire of the full Board to maintain ultimate control with it while delegating sufficient authority to the Executive Board to make decisions within full Board parameters. Karpiak made the requested adjustments which were recirculated to the Governance Work Group.

Karpiak presented Amendment No. 5 which is a new document that creates the Executive Board, eliminates the Executive Committee and defines its membership composition including identifying the County Sheriff separately, going from two fire service representatives to one and having one police representative and a special districts representative.

2. Proposed Amended and Restated Bylaws

• Executive Board Member Selection

Karpiak reviewed the draft amended Bylaws noting the redlined copy compares existing with what is proposed. Some of the language is cleanup. Section 3 outlines changes to the Governing Board's responsibilities and alignment of the Executive Board's responsibilities for day-to-day operations. The Governing Body must retain authority over litigation, bonds, budget adoption and work plan. It meets annually and delegates authority to the Executive Board for implementation of its directions. The Governing Board has the option to call for a special meeting should it disagree with Executive Board action. Another change was to conform the Bylaws amendment process to the JPA amendment process. Pearce asked if each member agency had to approve these changes. Karpiak said there is a notification period to the member agencies for the proposed changes; however, the MERA Board is authorized to make the changes by a two-thirds vote. He said two meetings

of the Board are currently required to approve Bylaws changes with a 10-day notice between meetings.

Robinson clarified that an Executive Board Member based on these changes does not have to be a current Board Member. They are selected by their respective agencies or groups. He said internal FAQs will be developed for distribution with the Amendment and Bylaws that will address these matters. For example, in the case of the Special Districts, a best practices communications strategy between them might be quarterly discussions between their representative and the constituent districts. Rzepinski said the FAQs would be appreciated.

Gaffney said he thought the Executive Board Members should be selected by the MERA Board Members instead of, for example, by City Managers. Karpiak said the current JPA does not speak to how members are selected. The practice for the Executive Committee has been, for example, for the Southern Marin Town Managers to select their representative. Following that, and where the selection process wasn't clear, we are using current practices. Gaffney supports current Board Members from those areas to select their representative. He felt members of the Executive Board should be members of the MERA Board.

Robinson said the Governance Work Group spent considerable time on this issue and these are their recommendations which stay away from directing how Board members are chosen. The proposed composition of the Executive Board allows for broader representation and bringing in more expertise in a different make-up from the Board itself. The Governing Board retains ultimate authority over the Executive Board. Rzepinski said the challenge in the Special Districts slot is that those representatives don't know or talk to each other, so how will they communicate. A structure will be needed. Karpiak said a selection process is needed, be it by current Board members or Chief Executive Officers, but it cannot be silent. Hymel said it is really the last three categories' selection processes that are in question. These slots are where some ambiguity comes in. Rodericks noted as City Manager, he would prefer to be on the Executive Board while Police and Fire Chief could sit on the full Board plus be represented in the Police and Fire Executive Board slots.

Rzepinski clarified that the Governing Board with these changes would be meeting less frequently while the Executive Board would be meeting more frequently.

Hymel said what is proposed for the three slots is really codifying current practice. He asked about the Special Districts slot. He said it might be easier for the Special District representative to be selected by the Special District Governing Board Members. He noted, unlike Police and Fire Chiefs and City Managers, Special Districts do not meet regularly. He and Gaffney agreed that this may make more sense for this slot. Karpiak will incorporate this change in the documents. Robinson said further Executive Committee review

of the Executive Board selection process was warranted for multiple jurisdictional groups.

3. Tentative Timeline for Action on Amendment No. 5 and Amended and Restated Bylaws

Cassingham reviewed the tentative timeline for action on these items. Given the tight turnaround time, she will need comments from this group by mid-day March 6 for incorporation in the staff reports to the Executive Committee on these matters for their March 14 meeting. On March 15, she will distribute draft Amendment No. 5 and the Amended Bylaws to all Board Members to give them adequate time to disseminate and review them, if they chose, with their agencies. Some member governing bodies meet monthly, so this timeline will give adequate time for this review. She noted the required member notification periods prior to Board action on May 16 on the Amendment and thereafter for the Bylaws changes, at a Thursday meeting on or after June 21, per the current Bylaws. Rzepinski clarified that Committee Members could still raise issues at the May 9 Executive Committee meeting or any time before or during the May 16 Board Meeting. He said he is uncertain about his Board's reaction to his District becoming one of five in the Executive Board matrix.

4. Other Information Items

None.

F. Discussion of Work Product Coordination and Timeline

No discussion.

G. Future Joint Meetings

It was agreed that joint meetings continue on a quarterly basis for the time being. Hymel said once we develop more solid project financing plans, we can accelerate. He clarified that in the absence of an Operations Committee, those issues would be vetted with the Executive Committee. Rzepinski cited the value of more frequent meetings of larger standing groups as things get more detailed. Pearce noted the importance of involving assistants and others in these discussions. Kreins said the more at the table, the better.

H. Other Information Items

None.

I. Open Time for Items Not on Agenda

None.

J. Adjournment

The meeting was adjourned at 5:35 p.m.