

MARIN EMERGENCY RADIO AUTHORITY

c/o Novato Fire Protection District
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DRAFT: 4/9/15

Executive Board

Minutes of March 11, 2015 Meeting

A. Call to Order:

The meeting was called to order by Chair Hymel on March 11, 2015 at 3:33 p.m. in the Heritage Conference Room, Novato Fire Protection District Administration Office, 95 Rowland Way, Novato, CA 94945.

Board Members Present:

County of Marin
Marin County Sheriff
City of San Rafael
City of Novato
Fire Services
Ross Valley Cities/Towns
Southern Marin Cities/Towns

Matthew Hymel
Robert Doyle
Chris Gray
Jim Berg
Richard Pearce
Debra Stutsman
Jim McCann

Board Members Absent:

Police Departments
Special Districts

Todd Cusimano
Bill Hogan

Staff Present:

MERA Executive Officer
MERA Deputy E.O. – Next Gen Project
MERA Operations Officer
DPW Communications Services Manager
County Communications Engineer
MERA Admin. Assistant – Next Gen Project
Recording Secretary

Maureen Cassingham
Dave Jeffries
Craig Tackabery
Shelly Nelson
Richard Chuck
Alex Anderson
Jennifer Schwarz

B. Consent Calendar

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

- 1) Minutes from January 14, 2015 Executive Board Regular Meeting
- 2) Minutes from February 4, 2015 Executive Board Special Meeting
- 3) Report #25 on Strategic Plan Implementation
- 4) Final Report on November 2014 Measure A Election Costs
- 5) Summary of Costs – Public Records Act Request of November 21, 2014 –
RE: Measure A
- 6) Bi-Monthly Report on MERA Reserve Funds Balances
- 7) Update on Bay Hill Tower and Site Sublease
- 8) Update on Measure A Validation Action

Cassingham provided the latest information on Item A-8, noting no party contested the Action by the March 2 deadline and the Request for Entry of Default was filed with the Court this morning. The Judge will then set a Default hearing date. Hymel added that this was a due-diligence exercise that needs to be done for the bond community to get the lowest possible rate for the taxpayers. This is a standard operating procedure when you are using a single revenue stream to pay for bonds.

M/S/P Pearce/Doyle to approve Consent Calendar Items 1-8 as presented.

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

C. Executive Officer's Report (Cassingham)

1. Report and Recommendation from Finance Committee Re:
Next Gen Project Financing

Cassingham said the Finance Committee on March 2 received a report from Tackabery on Next Gen Project cash flow projections for FY15-16 and FY16-17 and discussed options to fund initial Project costs in FY15-16. She recapped their recommendations to postpone and phase bond issuance based on actual cash flow requirements. Interest savings would go back into the Project. The other recommendation was to authorize

Finance Committee Vice Chair Gaffney and the Executive Officer to identify the most cost effective Surety policy to substitute for MERA's current Bond Reserve of about \$1.5M. This would free up the reserve for use, along with parcel tax proceeds, to fund FY15-16 Project costs estimated at \$3.5M. She said they would work with several financial consultants to review sureties with input from Bond Counsel on the substitution process. First year interest savings are estimated at \$2M. The Reserve interest earnings are nominal and this would be a better use of it. Cost of the surety is estimated at \$18,000. She added that the report would be presented to the Boards at their May meetings.

Pearce commented on Gaffney's experience and helpfulness in working on these matters for MERA.

M/S/P Pearce/Berg to recommend phased bond financing of the Next Gen Project based on actual cash flow requirements, authorize Gaffney and Cassingham to develop and present a report on substituting a surety policy for the current Bond Reserve to permit its use for a portion of the Project cash flow in FY15-16 and direct presentation of the report to the Executive and Governing Boards in May.

AYES: All

NAYS: None

ABSTENTIONS: None

Motion carried.

2. Proposed Preliminary FY15-16 MERA Operating, New Project Financing and Refunding Revenue Bonds Budgets

Cassingham said this is the time of year when the Preliminary MERA Budgets are presented to the Finance Committee and Executive Boards followed by distribution to the Members to assist with development of their next fiscal year budgets. The Operating Budget of \$1,811,251 represents a 6% increase over prior year. The New Project Note payment established by the Governing Board in 2007 for the life of the Note remains unchanged and the Bond payments reflect actual annual debt service. She noted the detail behind the Operating Budget and schedules of member payments. At the May meetings, a projected year-ending column will be added based on expense actuals to date. Berg requested adding a comparison column to FY14-15 member agency contributions. Cassingham will add the column to the schedules to be distributed.

McCann asked about sources of the Operating Budget increase. Cassingham noted the increased costs in the three major contracts with the County for System Maintenance, Technical Services and Communications Engineer Services. Contingency has been increased due to anticipated increases in Site Rentals at Bay Hill, as well as related Legal Services costs. She said going back to Members for increase contributions for costs not covered in the Operating Budget would be highly unusual which is why the \$40,000 Contingency is justified. She cited the increase in Contract Services costs reflects the increase in her hours for general administration for the full fiscal year, while the

Replacement Fund bears the cost of her hours for the Next Gen Project. Hymel added that the increase in Contingency is also needed given the reduction of MERA's Reserves. She confirmed replacement of the Reserves over time from the Parcel Tax Reimbursement Resolution for Next Gen Project-related costs. Hymel confirmed that Contract Services costs reflect actual time spent and that County costs increases reflect CPI adjustments and benefit increases. Cassingham said the County service agreements will be presented at the May meetings.

M/S/P McCann/Doyle to approve the Proposed Preliminary MERA FY15-16 Budgets for Operating, New Project Financing and Refunding Revenue Bonds for immediate distribution to Member agencies.

AYES: All

NAYS: None

ABSTENTIONS: None

Motion carried.

3. Report and Recommendations on Measure A Citizens Oversight Committee

Cassingham said staff was proceeding with implementation of the Citizens Oversight Committee. Several issues have arisen since the Executive and Governing Boards approved the Committee structure, qualifications, duties and other related matters in November and December 2014. At that time, the Executive Board was designated to provide application review, applicant interviews and recommendations to the Governing Board. Staff said the recommended change to the Resolution formally establishing the Committee gives the Executive Board the option of appointing a Subcommittee to perform applicant screening and interview tasks outlined in the staff report. She thanked Jeffries and Anderson with performing the outreach needed to solicit applications including efforts to drive interested residents to website postings via member outreach, waves of press releases, outreach to Friends of MERA and more. The recommended appointment schedule is designed to complete the appointments and conduct the Committee's first meeting by the June 30, 2015 deadline in the Measure A Tax Ordinance.

M/S/P Pearce/Gray to recommend revision to the Proposed Governing Board Resolution Establishing the Measure A Citizens Oversight Committee to provide for application review, applicant interviews and recommendations by the MERA Executive Board or Subcommittee thereof, appoint an Executive Board Subcommittee, and confirm the timeline and location of the appointment process and interviews.

Stutsman, Gray and Pearce volunteered to serve on the Subcommittee. Cassingham will work with the Subcommittee on the schedule of tasks after the deadline for applications. In response to Pearce, Cassingham said should there be insufficient number of applications before the deadline, Staff would reach out to the member agencies and Hymel with the Supervisors to assist with outreach. Jeffries said press releases would also be repeated two more times between now and April 3.

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

4. Other Information Items

None.

D. Operations Reports (Tackabery)

1. Revised Additional Radios Policy and Procedures w/Redline –
Next Gen Radio Specifications

Tackabery presented the proposed directed policy revisions in Procedure 6 regarding Next Gen radio specs. Radios have to be one-band operational, second upgradable or dual band, both bands operational. Radios purchased will not lock MERA into any particular vendor for the Next Gen System. Pearce confirmed with Nelson there are such radios. Hymel said, when discussed, we talked about a Member incentive MERA could consider if savings are realized by the purchase of Next Gen radios now. He asked if more thought had been given to this. Tackabery said this is on our list and is more a fiscal issue. Hymel asked if there has been any discussion about not replacing if Next Gen radios are purchased now. Pearce said we should review the possible reallocation of such radios, say to Public Works. Jeffries said given the Project presentations to Members wherein one-for-one replacement was a key component, they will still want replacement and decide individually whether they want to reassign their Next Gen radios internally. Berg said this may be a way to fund radios that may not be purchased with the parcel tax.

Hymel said this is the next step for consideration which does not change the policy before them. This next step should be agendaized for future Finance Committee and Executive Board discussion. Berg asked how we assure each member buys radios that meet our criteria. Nelson said members come to her for the part numbers to be ordered and she provides them a set list of criteria for them to provide to vendors. Hymel said he favors radio reassignment to users not covered by the parcel tax or to a member cache. This will assure MERA is not using its Reserves for non-parcel-tax-covered radios.

M/S/P Gray/Doyle to approve the proposed revisions to MERA's Additional Radio Policy and Procedures as presented.

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

2. FY14-15 System Analysis Capital Projects Updates

Tackabery summarized the status of the Capital Projects underway in this fiscal year. The Tomales Project is moving ahead, noting the Coastal Permit was extended to July 26, 2018. Final negotiations are underway between NERA Counsel and MALT on their easement. Once finalized, it will be presented to the Governing Board.

The Martha Development is being monitored with nothing happening this fiscal year.

DPW supported the Project Oversight Committee and Outreach Team through the election and this work is completed.

The RFP for the Next Gen Project communication consultant was approved by this Board and signed off by the Chair and Vice Chair; the RFP was released on March 3 with proposals due by April 28, 2015. Pearce confirmed the RFP went to Governing and Executive Board Members. Tackabery said Members can forward it to interested vendors as they become aware of them. Gray said he had done so. Berg asked when vendor selection is scheduled. Tackabery said the Next Gen Project Oversight Committee will select an Interview Subcommittee and develop an interview schedule followed by recommendations to the Executive Board. Jeffries confirmed this was on the Committee's March 18 agenda.

3. Other Information Items
None.

E. Open Time for Items Not On Agenda

None.

F. Adjournment

The meeting was adjourned at 3:59 p.m.

Respectfully submitted,

Maureen Cassingham
Executive Officer and Secretary

NEXT: NERA Executive Board Regular Meeting
Wednesday, May 6, 2015 – 3:30 p.m.