

MARIN EMERGENCY RADIO AUTHORITY

c/o Novato Fire Protection District
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DRAFT: 12/8/16

Executive Board

Minutes of November 9, 2016 Meeting

Call to Order

The meeting was called to order by Chair Hymel on November 9, 2016, at 3:36 p.m at the Novato Fire Protection Administration Office, Heritage Conference Room, 95 Rowland Way, Novato, CA 94945.

Board Members Present:

County of Marin	Matthew Hymel
Marin County Sheriff	Michael Ridgway (Alternate)
City of Novato	Matt McCaffrey
Fire Services	Richard Pearce
Ross Valley Cities/Towns	Todd Cusimano
Special Districts	Tom Roach

Board Members Absent:

City of San Rafael	Chris Gray
Police Departments	Mike Norton
Southern Marin Cities/Towns	Jim McCann

Staff Present:

MERA Executive Officer	Maureen Cassingham
MERA Deputy Executive Officer- Next Gen Project	Dave Jeffries
MERA Operations Officer	Pat Echols
Recording Secretary	Jeanne Villa

Guests Present:

Town of Ross	Tom Gaffney
Maher Accountancy	John Maher

A. Closed Session

Public Employee Performance: Executive Officer Evaluation
Pursuant to Government Code – Section 54947

Hymel inquired if any Board member requested a Closed Session on Executive Officer performance. There being none, there was no Closed Session.

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) Report from Executive Officer Work Plan Committee (EOWP)
 - a) 2016 Executive Officer Work Plan Update
 - b) Proposed 2017 Executive Officer Work Plan
 - c) Recap of Executive Officer 2016 Work Hours
- 2) 2016 Annual Progress Report on Authority Operations and Activities
- 3) Minutes from September 14, 2016 Executive Board Regular Meeting
- 4) FY15-16 Draft Audited Financial Statements and Auditor's Report – Maher Accountancy
- 5) Bi-Monthly Report on MERA Reserve Funds Balances
- 6) Report No. 48 on Strategic Plan Implementation
- 7) Final Report on Rebuild and Hosting of MERA Website – meraonline.org
- 8) Final Marin County Civil Grand Jury Web Transparency RE: meraonline.org

Hymel requested the removal of Item 1 from the Consent Calendar for further discussion.
Cassingham requested removal of Item 4 to permit a presentation by Maher.

M/S/P Ridgway/Cusimano to approve Consent Calendar Items 2, 3, 5, 6, 7 and 8 as presented.

AYES: All
NAYS: None
ABSTENTIONS: None
Motion carried

Maher provided a brief overview of Item 4, which is the FY15-16 Draft Audit and Auditor's Report. He said Page 1 is his work product, noting management is responsible for the preparation of the financial statements and he is responsible to express his opinions on them based on his audit. The Audit is a clean opinion. Page 3 cites the increase in net position by \$2.1M, which is largely due to unspent Measure A funds. The unreserved portion is similar to last year at \$800,000. There has been \$2.5M-\$3M in depreciation in prior years but there has been a decline due to the drop-off of remaining useful life of the assets. Revenues increased by \$3.7M, of which \$3.5M is Measure A. Operating expenses decreased by \$839,000. Non-operating expense was up due to debt issuance costs.

Maher reviewed Page 4 and the changes in MERA's net position from 2015 to 2016. The \$33M is Bond proceeds invested by the Trustee. The equity section reflects 3 components including capital assets, restricted assets, and noncurrent liabilities. The balance sheet is balanced by debt versus equity. The major variance in revenues is due to \$3.6M in parcel taxes. On Page 17, there is a recap of restricted cash collected from Measure A. The number on the balance sheet is restricted equity. Debt recap is broken out on Page 19. Page 20 sets forth future obligations for bond debt service through 2036. Page 24 features budget to actual. The remainder of the audit is supplemental information on debt service and operating payments.

Hymel asked Gaffney about the annual bond payment, which Gaffney noted was about \$2.5M. Hymel said the parcel tax is about \$3.6M annually. This was discussed at the Finance Committee meeting. This difference will be used to extend the useful life of the System from a holistic approach. Gaffney said the Project Budget was estimated at \$40M and we sold \$33M in bonds. The Project will be funded by a combination of bonds and pay-as-you-go. Bond proceeds can only be used for Next Gen capital costs. Maher added that there is leeway to use the Parcel Tax for other Project costs.

Pearce asked about refunding the Project Note. Gaffney and Cassingham said this was in progress and will move forward once the Trustee substitution is completed on November 15.

M/S/P Roach/Cusimano to recommend MERA Governing Board acceptance of the Audited Financial Statements and Auditor's Report for FY15-16.

AYES: All
NAYS: None
ABSTENTIONS: None
Motion carried

Maher said a few minor non-substantial edits will be needed before the audit is presented to the Governing Board on December 14. Cassingham thanked Maher for his diligence and patience in dealing with the two additional funds and the associated accounting challenges, plus meeting tight timelines for completion.

Hymel noted he and Chief Gray, as members of the Executive Officer Work Plan Committee, met with the Executive Officer regarding Consent Calendar Items 1a, b and c. He wanted to

share that discussion. The overall expression was one of thanks to the Executive Officer for her dedication and all the work that went into this last year, including the sale of the 2016 Bonds and website rebuild. Some of the issues discussed were what resources she needs to be successful going forward, the succession plan, cross-training and administrative support. He suggested the Committee should follow-up at another meeting in early 2017. Since more admin support would affect the budget for next year, they should meet to review those costs.

Hymel said an annual cost of living was discussed and recommended each January 1 going forward. This is appropriate after the great recession noting other public agencies are doing this. He asked Cassingham to review the Work Plan and issues discussed. Cassingham said the Committee reviewed what had been accomplished in 2016 related to the 7 established goals in the Plan. Much of the work preparatory to the bond sale, along with follow-up and accounting for the 2 new funds, were very time-consuming. The unexpected website transparency project, website rebuild and new hosting, along with the 22 non-member letters of agreement, have been labor intensive, but very necessary. She expressed thanks to Ridgway, Jeffries, Weber and Julihn for their help with LOA information sharing and contacts.

Cassingham said the Committee added a goal to the 2017 Work Plan of formally developing a long-term financing plan for Next Gen Support beyond the term of the System Upgrade Agreement (SUA) to extend System useful life. Also, work on the 2016 proposed Succession Plan will continue into 2017. A draft was submitted to the Committee and more input is needed to present it to the Executive and Governing Boards. She said this was a very unique agency to succession plan for, but important for the members to know the future was being addressed.

Cassingham said the Committee also discussed her hours and the tasks ahead. She noted the transitions of administrative support staff and reduction of hours since 2007. More has fallen to her to meet deadlines and expectations. A review of the NFPD Service Agreement and other options are recommended. There is considerable work to be done to assure an effective knowledge transfer in succession planning.

Pearce expressed appreciation for Cassingham's efforts from where we started to where we are now. Cassingham said she feels she is the luckiest person on earth to work for the MERA Boards and Committees and they have been phenomenal in accomplishing so much, considering all their other duties. Cusimano asked about the Executive Officer hourly rate, noting his support for the annual CPI adjustment. He asked that the hourly rate, which had not been adjusted for some years, be reviewed by the Committee. He supported a rate of \$105.

Hymel asked Cassingham about a rate study performed earlier this year by RGS for similar positions. She said their survey found the rate to be competitive. Cusimano questioned that RGS built in another 50% for their fees and benefits so this might be revisited. Hymel agreed this should be added to the Committee's list for follow-up.

M/S/P Cusimano/Pearce to approve the Executive Officer's 2016 and 2017 Work Plans and Hours Summary, including a regular annual cost of living adjustment to the Executive Officer's hourly rate effective January 1 each year and recommend Governing Board approval of same.

AYES: All
NAYS: None
ABSTENTIONS: None
Motion carried

C. Executive Officer's Report (Cassingham)

1) Report on Next Gen System Project Status of Communications (Jeffries)

Jeffries said this report was meant to highlight our communications issues and challenges associated with the Next Gen Project. He mentioned the November Project Newsletter and the next issue when the Motorola contract is finalized. He referenced MERA's Media Advisories, the latest of which was in mid-October and the next will be timed with consideration of the Motorola contract.

Jeffries said a Project Benefits flyer is under development, which will describe its original goals and what benefits the System will actually provide to us. This can be shared with member agency Council and Board members, staff and other stakeholders to keep them informed.

Jeffries noted the last two items in his report ask for Board and Committee members' help in carrying back Next Gen updates to their agencies and staff on a regular basis. Any information discussed in our meetings is shareable and public. If members need support in making presentations to elected officials, he will be of assistance. Pearce mentioned that there has been transition at various levels so this may be very helpful.

Hymel asked what differentiates the Newsletter from Advisories. Jeffries said the Newsletter is emailed to a list of persons wishing to receive it, plus it is posted on our website homepage. The Advisories are press releases sent directly to media outlets. Based on this discussion, media will receive the Newsletters as well. Hymel said briefings of boards is appropriate at milestones such as the final Project contract and Newsletters featuring such articles can be used by members to share with their Boards.

2) Report No. 23 from Next Gen Project Oversight Committee (NGPOC) (Jeffries)

Jeffries presented his report recapping negotiations to date with Motorola. The first session was held on September 21. The focus was on coverage, station alerting, paging, maintenance and pricing. A second session was held on October 20, with continued emphasis on coverage and fire agency concerns. This session was preceded by a Motorola presentation attended by Police and Fire Chiefs Association representatives along with West Marin Fire Agency representatives that addressed coverage, station alerting and paging issues and related questions. Updated pricing was to follow, along with research and reference checks on alerting and paging solutions.

Jeffries said Motorola has since provided updated coverage maps to address in-building coverage issues along with updated costs. The reason for dissimilar in-building coverage with the current System is the higher digital audio quality requirement from 3.0 to 3.4. Updated mapping also reflected Marin buildings 10 DBA versus the 18 DBA presented for San Francisco type buildings.

Echols presented an update on where negotiations are right now with Motorola and the submittals received just yesterday. The Negotiating Team will discuss all this tomorrow morning. Overall, the cost component is encouraging, coverage maps have improved and a volunteer paging solution looks promising. A conference call with the manufacturer and the West Marin agencies, along with a call to a Michigan user agency, have confirmed this to be the right solution. They are not as close with an alerting system solution, which presents a technical sticking point for system design. It is hoped that by January a contract will be finalized. There may need to be some contract parameters to prevent holding up the entire contract if an alerting solution cannot be reached by then. If the solution is not acceptable, Motorola would have to present an alternative product to create a more robust means of system integration.

Jeffries said the biggest challenge for the alerting solution is integration with the Sheriff's CAD system. The Sheriff's Communications Manager has been very helpful with these discussions regarding the Mach Alert System. In response to Hymel, Echols confirmed the County will take the lead in drafting the contract with technical guidance from FE. He said now that the scope is nailed down, we will turn to the terms and conditions, one of which will address an acceptable alerting solution by a certain milestone or an alternate solution will be presented so the Project schedule is not jeopardized.

Jeffries said after 1 more meeting with Motorola, the attorneys should be able to begin work on contract terms and conditions and the Finance Committee will weigh in on costs and Project Budget. Motorola will need to present a clean version of their final proposal to accompany the contract.

Hymel reminded the Board that in addition to the Motorola contract, there would be other Project cost components including equipment replacement over the 20-year System useful life and a second SUA to be cost estimated by FE. Jeffries added there will be separate costs for site construction, MERA staff costs, and a more sufficient contingency, which will be parts of the total Project costs.

D. Operations Reports (Echols)

1) Proposed Phase 2 Next Gen Implementation Wireless Consultant Contract

Echols summarized the process in 2015 that led to the selection of Federal Engineering to provide wireless consulting services to develop the vendor RFP through the negotiation and finalization of same. A separate consulting services contract has been developed and negotiated with Federal Engineering (FE) to provide Phase 2 Project management and

implementation services. Based on the pending successful wrap-up of the Motorola contract with FE's services and the anticipation, if we were satisfied with the quality of FE Phase I services, they would layout the scope of Phase 2 services.

Echols said the Project Oversight Committee earlier today recommended FE to provide Phase 2 services. The bulk of the contract is to provide a full-time Project Manager, which will be an extension of DPW staff and housed at the Communications Division office. Jhaver will provide backup support and oversight of technical staff for the various Project elements and milestones.

Echols said the two-phased approach was anticipated, given that DPW, unlike with prior to Gen I, is still responsible for Gen I operations and maintenance while Next Gen is being implemented. He added he had consulted with Michelle Geddes, City and County of San Francisco, regarding their Next Gen System implementation, which is at about the same stage, and their Project Management Phase with FE. This was helpful to defining the scope of Phase 2. The POC added one change, which was to permit substitution of the Project Manager if deemed necessary.

Echols noted that it is planned to present the final contract to the Governing Board on December 14 for approval after the vetting of the proposed Project Manager by DPW and MERA staff. Potential candidates have been discussed. This position is key to Project success. Hymel asked about the Motorola Contract Manager and suggested similar language in the Motorola contract. Echols agreed and added the Phase II contract start date is proposed to be February 1 based on likely timing of the Motorola contract date. Duration of the FE contract is 2.5 years based on Motorola's timelines. The FE contract can be terminated earlier if the Project is completed earlier.

Hymel asked if FE will be the Project Manager for the separate contract for site construction. Echols said Motorola will provide the plans for site construction. FE, in conjunction with DPW support with site work, will manage site construction. Pearce asked about another Phase I bidder being ideally suited for Project management. Jeffries said FE's performance in Phase I has been value-added throughout and changing consultants could be counterproductive. Pearce said he was noting the other firm's success in dealing with tower construction.

Echols said Motorola as the designer is precluded from bidding on construction. However, if one of their subcontractors bids, they will be subject to legal review for any conflicts. Motorola had a cadre of firms they bid this work out to who do not have a business relationship with them. Pearce requested MERA General Counsel review these contracts.

M/S/P Pearce/Roach to recommend the Phase 2 Next Gen Implementation Wireless Consultant Contract to the Governing Board for approval.

AYES: All
NAYS: None
ABSTENTIONS: None
Motion carried

2) Other Information Items

None.

E. Open Time for Items Not on Agenda

Cassingham noted we are just past Echols' one-year anniversary with MERA and she wanted to express appreciation for his commitment, patience, humor and attention to detail to Next Gen and MERA's Gen I operations. Jeffries added it has been a great partnership. Bi-weekly conference calls between DPW and MERA staff have assured great coordination. Motorola clearly views us as a team. Hymel said this was great to hear and that we are aligned in our goals. Pearce added his thanks and acknowledgement.

F. Adjournment

The meeting was adjourned at 4:25 p.m.

Respectfully submitted,

Maureen Cassingham
Executive Officer and Secretary

NEXT:

MERA Executive Board Meeting
Wednesday, January 11, 2017 – 3:30 p.m.