

**C.O.C. 3/18/20 Agenda Item A**  
**MARIN EMERGENCY RADIO AUTHORITY**  
c/o Town of Corte Madera  
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**Draft: 3/11/20**

**Measure A Citizens Oversight Committee**

**Minutes of December 18, 2019 Regular Meeting**

**Call to Order**

The meeting was called to order by Chair Pro Tem Levinson at 4:00 p.m. on December 18, 2019, at the Marin Civic Center CAO Conference Room 315, San Rafael, California 94903.

**Committee Members Present:**

District #2	Bill Levinson
District #3	Chuck Reite
District #4	Larry Luckham
District #5	Paul Herrerias

**Committee Members Absent:**

District #1	Elizabeth Greenberg
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**Staff Present:**

MERA Executive Officer	Maureen Cassingham
MERA Deputy Executive Officer – Next Gen Project	Dave Jeffries

**Guests:**

John Maher	Maher Accountancy
Michael Maher	Maher Accountancy

A. **Minutes of September 18, 2019 Citizens Oversight Committee Regular Meeting**

*M/S/P Luckham/Reite to approve the minutes as presented.*

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

B. Review of Draft Measure A Special Parcel Tax FY 2018/19  
Independent Compliance Audit – Maher Accountancy

John Maher presented the Audit, noting the special Fund requirement for parcel tax proceeds. While not required by Measure A, he audits expenditures from the Fund and the collection of parcel taxes. He also evaluates internal controls and assesses any risks of material noncompliance. Collection risks are relatively low given County procedures and NBS's recheck of the Tax Rolls. Maher also reviews the entire Tax Roll for completeness. There are very few changes from year to year except for new parcels.

Maher noted Utility Parcel Taxes of about \$4,000, which have been determined not to be in the County's jurisdiction. They have been removed, leaving about \$14,000 collected from the remaining utility owned parcels. He added the Measure requires cash basis accounting for revenues and expenditures, which he reconciles with MERA's accrual-based accounting. Maher also reviews transfers from the County in comparison to NBS's work.

Maher extensively reviews all expenditures for compliance with Measure A, as stated in Audit Note 3. Bond Counsel has defined Project expenses as also including planning, building and operating the Next Gen System. In addition to administration and other Project services, capital assets are recognized in the Fund. He concluded that there were no findings of noncompliance and nothing of concern to the Auditors.

Maher summarized the Schedule of Collections and Expenditures noting expenditures of \$2.3M including direct cost of capital assets. Of the \$2.3M, it was \$800K less the direct cost of capital assets funded from Debt proceeds. Net expenditures from Measure A Funds is \$1.5M. Total revenues of \$4.3M includes interest on Measure A Funds from the Bonds, resulting in \$10.8M for future expenditures. Audit Note 4 specifically references recognition of capital expenses from Bond proceeds. In response to Levinson, Maher reiterated there were no findings or errors and documentation for the Measure A Funds was complete.

*M/S/P Reite/Luckham to recommend Governing Board acceptance of Independent Compliance Audit for FY18-19 as presented.*

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

Levinson complimented the Committee on how well it conducts itself and its preparation.

C. Review of MERA Measure A Special Parcel Tax Fiscal Year 2019/20  
Annual Report – NBS

Cassingham presented the Annual Report developed by NBS, MERA's Parcel Tax Administrator, in compliance with Measure A. Once accepted by the Governing Board, it is filed with the Board of Supervisors by the County Chief Fiscal Officer. Report contents include a Fiscal Year 2019/20 Levy summary, land use category assignments and Low-Income Senior Exemptions. The referenced 2,400+ page Special Tax Roll is not included in the Report, but NBS provides a CD ROM for MERA's records.

In response to Levinson about MERA members, Cassingham noted some sanitary and water districts in the County are not MERA members. She noted there is a process in the MERA JPA for adding members should they apply. There would be buy-in costs plus sharing of Operating System expenses. Following up with Herrerias, Cassingham said the Tax Roll is a public record not subject to the Privacy Act.

Levinson asked about the tax-exempt status of mobile homes and whether this was provided in Measure A. Cassingham said this is a County exemption resulting from settlement of litigation. She noted the Low-Income Senior Exemption Application included in the Report, along with Measure A Funds collected and expended and a Project status. These amounts correspond with Maher's Compliance Audit. In response to Levinson, she confirmed NBS's annual fees are \$20,000 for the array of services provided including administering the Low-Income Senior Exemption Application process and providing a help desk for Measure A inquiries. Herrerias said he thought the County's collection fees were NBS's fees. Cassingham said NBS administers Measure A support services and the County collects the tax on MERA's behalf for an annual fee of \$60,000 plus.

*M/S/P Luckham/Reite to recommend Governing Board acceptance of MERA Measure A Special Parcel Tax Fiscal Year 2019/20 Annual Report.*

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

D. Update on Status of Next Gen System Project and Budget

Jeffries, as part of his report, distributed copies of a December 17, 2019 Marin IJ article on the Next Gen Project. He has emailed the reporter to clarify statements in the article's last paragraph about the Project exceeding RF standards, which is not true. Inside Site fencing RF levels do go up and there is warning signage for workers. RF is well below FCC standards outside the fence lines. In response to Herrerias, Jeffries said he has worked with Reporter Perra in the past. Reite said it appears the reporter took RF information from the SEIR and did not fully explain exposures. Luckham said the

reporter called him and other Committee members. He told Perra to contact Cassingham or Jeffries, the Project spokesperson, for information. Perra said this Committee was the conduit to the public.

Jeffries had been in touch with Perra on this article. Perra referenced a 2014 article on Project costs. Jeffries said the cost of the Motorola Contract is different from the Project cost. In addition, as the Project has proceeded, there have been Change Orders and engineering and environmental consultant contracts added. He referred him to the website for all this information, plus he reviewed with him the Project Budget attached to his report.

Luckham said Perra was disappointed that this Committee did not comment on the public's behalf. Jeffries said any Committee concerns about the Project would go directly to the Governing Board. In response to Herrerias, Jeffries said all reports to the Committee are posted on the website. Herrerias noted the value of one spokesperson in Jeffries. Levinson added he shared with Perra that providing Project public information was not the purview of the Committee and referred him to Jeffries. Perra contacted Committee members from website information.

Jeffries reported on Governing Board approval of Change Order (C.O.) #8 and assignment of those costs to the Unappropriated Project Reserve. No additional C.O.s are under consideration. Nokia will work on MPLS changes to final Project Design. The Governing Board certified the SEIR and approved the Project on December 11, followed by State Clearinghouse notification on December 13, which starts the 30-day litigation window. Next is finalizing Customer Design Review (CDR), awarding of construction bids and start of construction. In March, Jeffries said the CDR will be presented to the Governing Board for approval, which will inform the final Project Schedule and be presented to the Committee at its next meeting.

Jeffries summarized the C.O. list to date, noting it will not be re-presented unless there are new C.O.s. C.O.s are either no-cost or cost. No no-cost C.O.s will be presented going forward. The Project Budget was revised on December 2. C.O. #8 will be reflected in the next revision. The Unappropriated Project Reserve will be reduced by \$1.3M for C.O. #8. Percentages of expenditures will also be updated. The next Motorola payment milestone will occur in Q2 2020, followed by hilltop equipment buildout and testing for shipment in Q3 2020 with a 45% milestone payment. Timing of shipment will be scheduled with sequencing of construction.

Levinson's Budget questions included the completion of outreach expenditures and 50%+ expenditures for MERA staffing. He asked about the sufficiency of this Budget line item into mid-2023 and why public outreach expenses have exhausted the budget. Jeffries said public education outreach was completed prior to placement of Measure A on the ballot. In response to Levinson, all ongoing public information is administrative and electronic with no additional hard costs.

Jeffries said RGS costs will be updated once we have a final Project Schedule. In prior years of the Project, more staff hours were required and as we approach construction, hours may likely be further reduced. Levinson urged a line item update as early as possible. Jeffries noted this line item includes 6 years of estimated staff costs. Luckham commented there are funds available in Contingency and Unappropriated should they be needed. Jeffries added there is also a Contingency in the Site Construction line item.

Herrerias asked about Project unexpended funds and possible return to taxpayers. Luckham said Project funding needs remain an unknown until completion. Cassingham added that future opportunities to extend system useful life or add sites would require future Measure A funding. Luckham said these funds might also be used for Gen 3 planning. He added these types of Project funds are usually fully subscribed without leftover monies. Cassingham confirmed there is a mechanism for reducing the parcel tax in future years if not needed.

Jeffries concluded his report noting the County's receipt of a FEMA Firefighters grant for radios and tri-band upgrades. This might generate some parcel tax savings but is still being researched. Luckham asked if Motorola had commented on hardware availability due to China trade tariffs. Jeffries said there has been no update on this. Luckham said we might experience some manufacturing impacts on accessories like headsets. Herrerias asked about the source of funds for Non-Public Safety Radios. Jeffries said Measure A funds are limited to public safety equipment so other MERA reserves will be used for non-safety radios like Public Works. This radio expense may be fine-tuned based on the radio count survey currently underway.

In response to Reite, Jeffries said the line item expenditures for Site Acquisition/Construction await a final Project Schedule to better estimate costs. Reite added he did not anticipate the litigation window to have much effect on the Schedule, based on little input at the public hearing. In response to Herrerias, Jeffries said the Motorola payment milestones will be updated based on the final Schedule.

E. Review of Funds 70038 and 70039 – Next Gen Project Revenues and Expenditures

- E-1 FY18-19 Final Report dated 12-13-19
- E-2 FY19-20 July 1, 2019 – December 12, 2019

Cassingham presented the FY18-19 and FY19-20 reports for both Funds. The categories of expenses have not changed given the Project progress. She provided invoice hard copies for Committee review. Fund 70039 has only one invoice which is a reimbursement to the County for Implementation staff costs and consultant services. Invoices for Fund 70038 are for regular RGS costs, NBS, Marinfo and Legal. Levinson asked about invoice payment authorizations. She said in addition to hers, two Town of Corte Madera sign-offs are required from the Town Finance Director and Town Manager.

Cassingham noted minor adjustments required due to the July 1, 2019 transition of financial services to the Town. In response to Herrerias, Cassingham clarified Fund 70039 Debt Service interest and capital outlay are on accrual basis. Luckham noted expense items are accrued and then capitalized. Cassingham said the TCM transition has also been affected by their use of Quick Books, which is new to them. Dan Hom, the retired Novato Fire Protection District Finance Director, continues to be engaged by MERA to assist with the transition.

F. Other Informational Items

None.

G. Open Time for Items Not on Agenda

None.

H. Adjournment

The meeting was adjourned at 4:58 p.m.

Respectfully submitted by:

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Maureen Cassingham  
MERA Executive Officer  
and Secretary