

Agenda Item C-3

MARIN EMERGENCY RADIO AUTHORITY

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MEMORANDUM

DATE: March 13, 2013
TO: MERA Executive Board
FROM: Maureen Cassingham, Executive Officer
SUBJECT: AGENDA ITEM **C-3**: REQUEST FOR RECALCULATION OF MERA MEMBER DEBT SERVICE PAYMENTS BASED ON CURRENT RADIO TOTALS – CITY OF NOVATO

Recommended Action: Approve the Finance Committee’s recommendation to retain MERA member debt service calculations as is, based on the JPA formula, or provide other direction to staff.

Background: At the January 16, 2013, MERA Executive Board Meeting, Chief Berg, Executive Board Member from City of Novato, raised the issue of reviewing member debt service payments (i.e., bonds) given the increased number of radios being allocated. Executive Board Chair Hymel asked for this matter to be referred to the Finance Committee, followed by their review of member cost allocation for the Next Gen System.

Since that meeting, Chief Berg requested in writing “that a recalculation be completed using the old formula, using the new radio totals to determine if there is any change in each agency’s payment schedule”.

Attached is Section 9.2 – Funding of the Authority, from the MERA JPA Agreement that sets forth the Lando Formula which determines member contributions. Those factors include user type, a coefficient tying user type to approximate radio utilization, percentage of member population to total County population, percentage of member area to total County area, member’s determinant and apportioning formula. The allocable percentages of the bond payments were developed based on this formula and have been in use since 1998. No adjustments have been made to any of the formula factors (e.g. population, etc.) since that date.

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Also attached is a comparison of each member's current percentage of debt service and current percentage of radios per agency issued to date. As can be seen, these percentages are, for the most part, very comparable.

The MERA Governing Board Policy on Additional Radios, which was adopted December 14, 2011, is also presented for your information. The DPW Operations Work Group has vetted every request for additional radios before Executive Board action. As has been discussed, no member request for more radios has been denied to date. In 2010, MERA expended \$1.5M from Reserves to acquire and install five additional frequencies to enhance system capacity. The system was designed to accommodate 2,500 radios. The current number of radios on the system is 2,897, which includes member mobile and portable radios, public and private "mutual aid" radios, Skywalker Ranch, Fire Station alerting and training units. Member radio usage varies as some are in continuous use, some are used on a daily shift basis and others are kept in caches for use during major events. As a result, the impact of these radios on the MERA System varies.

Actual original radio orders were "educated guesstimates" based on their needs at the time and into the foreseeable future, which for some members over time may have proven to be insufficient. This may be a contributing factor to requests for additional radios.

On February 27, the Finance Committee reviewed the above information along with MERA member system usage information from 2012 including call volumes and hours of usage. They discussed the general fairness of the Lando Formula and the coefficient for user type based on approximate radio utilization, not numbers of radios allocated. They noted that police use of the system continues to be the heaviest. In summary, while using other factors might benefit some members, they could penalize others. They discussed system use or call volume as more closely correlating to debt service versus number of radios. For example, Novato's call volume (10%) is very close to their percentage of debt service (10.4%).

The Committee recommends not revisiting the formula as it has served MERA well and that MERA is looking at a parcel tax to fund the Next Gen System, thus negating the need for a formula for future capital costs.

ATTACHMENTS: C-3a) Section 9.2 – MERA JPA Agreement Excerpt

C-3b) Current Member Agency Debt Service and Radio Allocation Grid
(**updated version for 2/27/13**)

C-3c) MERA Additional Radios Policy and Procedure

C-3d) MERA System Projected Annual Usage for 2012
(**to be distributed at 3/13 meeting**)