

**F.C. 3/10/21 Agenda Item A**  
**MARIN EMERGENCY RADIO AUTHORITY**

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**FINANCE COMMITTEE MEETING**

**MINUTES OF FEBRUARY 17, 2021**

**DRAFT: 3/5/21**

**Call to Order**

The meeting was called to order by Chair Hymel at 3:33p.m. on February 17, 2021, via Videoconference.

**Committee Members Present:**

County of Marin	Matthew Hymel,
Marin County Sheriff	Jamie Scardina (Designee)
Town of Ross	Tom Gaffney
Central Marin Police Authority	Michael Norton

**Committee Members Absent:**

Town of Tiburon

**Guests Present:**

County of Marin	Dan Eilerman
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**Staff Present:**

MERA Executive Officer	Maureen Cassingham
MERA Deputy Executive Officer	Dave Jeffries
Recording Secretary	Lorena Barrera

A. Minutes of May 20, 2020, Joint Finance Committee and Next Gen Project Oversight Committees Meeting

*M/S/P Norton/Gaffney to approve the minutes from May 20, 2020, Joint Finance Committee and Next Gen Project Oversight Committees Meeting as presented.*

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

B. Review of Governing Board Approved Revisions to Next Gen Project Budget Line Items (Jeffries – Recommendation)

Jeffries explained that a thorough accounting of radios was completed after a field survey affecting the radio line item. The Governing Board approved revisions of a number of items and directed additional review of the Next Gen Budget by the Finance Committee. Since then, he and Cassingham drilled down into each line item, resulting in a redrafting of the Budget Summary and the Measure A related MERA Project funding sources, as detailed in the staff report.

Jeffries reported that they expect to go to the Governing Board next week to award Bid Package #1, EOF, Civic, and Barnabe. They received two bids, both being in alignment with the estimates not counting contingency. He said if they can avoid expenditures of the contingencies, there may be some savings.

Eilerman pointed out the subtotal in Section #3 Future Costs of \$9.8M does not include Item 3C. Jeffries acknowledged the error. He explained that it is a new category in the Budget Summary.

Hymel said he was trying to reconcile the previous Project Budget with these new categories. He asked if the interest on the 2016 bonds had been previously looked at as a source of funding for the non-public safety radios. Cassingham said the non-public radio funding source was from Replacement Fund 70036.

Hymel asked why the non-public safety radios are not listed in the active items category, either the sources or the uses. Cassingham said they will be separately tracked as a non-Measure A Next Gen Project expense. Jeffries added that non-safety chargers and accessories have been included in certain Change Orders.

Jeffries clarified that 1-C is the radio cost in the Contract that includes non-public safety radios. He pulled the number directly from the Motorola contract confirming this.

Hymel said the Revised Budget should be reconciled to the previous Project Budget. He asked if the Project Budget was updated once AECOM began. Cassingham said that is part of the revisions.

Hymel asked about the \$10M in financing Bond interest and wonders if it is double-counting with the \$7M in future financing costs. Cassingham said there is a total of \$10M in Bond interest costs. Hymel asked what Item 3-C of \$7M references. Cassingham said \$7M represented the remaining amount after 12/31/20. Jeffries said he will revise the Bond interest line items accordingly. He will work with a subcommittee of the Finance Committee to fine tune the Budget Summary. Hymel suggested he, Gaffney and Jeffries could work on it together.

Jeffries said the biggest opportunity for cost containment is to work with the

Implementation Team on savings in the construction budget. He said this already reflects savings at Tomales due to sharing a power trench with AT&T. Also, PGE reassessed their responsibility for the cost of the work at Muir Beach, which brought MERA costs down significantly. There is also tower design review underway using revised standards, which benefit MERA construction costs. The revised standards are more specific to geographically identified zones for wind assessment.

C. Review of Next Gen Project Cash Flow Needs for Motorola Milestones, Administrative Costs and Construction Draw Down Schedule – (Jeffries – Recommendation)

Jeffries presented the Next Gen Project Cash Flow Needs and Construction Draw Down Schedule as detailed in the staff report. Staff asked the Committee to review and recommend strategies for funding flow to match timing of expenditures.

Hymel asked if cash flow is going negative in the projections, factoring in the beginning balance, uses and net adds for each year. Cassingham explained the construction draw down needs to be compared to revenue on hand and to be collected. She said cash flow should be added for comparison purposes to the projected flow of expenses. Jeffries added that this will be presented. Hymel said original debt was issued, recognizing that at some point secondary additional financing may be necessary based on cash flow. Cassingham confirmed that had been held out as a possibility. Hymel said Gaffney can assist with this analysis.

Jeffries noted we need to assess post Project completion costs because some of those payments will be after Bond proceeds have been extinguished. Hymel suggested Jeffries work directly with Gaffney on this. Gaffney agreed to assist both Subcommittees.

D. Review of Funding Options for Next Gen Project Non-Public Safety Radios -  
(Jeffries – Recommendation)

Jeffries presented the Funding Options for Non-Public Safety Radios. He explained the concerns regarding the current balance of the MERA Replacement Fund, aging Gen I System expenses and non-safety radio cost estimates, as detailed in the staff report. In response to Jeffries' question, Cassingham said that just under \$4M is in the Replacement Fund as projected through June 30, 2021. She said somewhere between \$1M and \$2M had always been the estimate for non-public safety radios. She would not recommend reducing the Replacement Fund by any more than half at this point, given the fragility of the current system and its age, even though LeBlanc is doing a great job locating replacement parts. Jeffries said, for the most part, non-public radios are expected to be delivered and installed in 2023 and by that time, there will be a better idea of how much is needed to preserve Gen 1 because they will be within a few months of cutover. It also provides time for strategizing about things such as models of radios, reduction of features and accessories and value engineering.

In response to Hymel, Jeffries said it may be possible to identify user groups that may be

classified as safety users like Probation to reduce the non-safety count. Cassingham suggested both General and Bond Counsel review these user types to assure they qualify for Measure A funding.

Hymel asked if new radios had to be dual use. Jeffries confirmed new radios had to be dual use. He said they have allowed some agencies to waive that as long as they recognize their responsibility to upgrade with Next Gen. The November 2014 deadline was established for replacement of any radio on the books at that time. Additions since that date are not part of this equation. Jeffries said another challenge is that some of the records going back into Gen 1 were very difficult to work with therefore staff is relying on the agencies' records.

Hymel asked about the details of the now-\$4M estimate for non-safety radios instead of the original \$2M estimate. He asked if it was due to more radios than expected or if it was a cost-per-unit issue. Jeffries said he was surprised that there were more than 750 portables and mobiles for non-public safety users. He said the Board approved early order and early installation of mobile radios to speed cutover, which is especially important for public safety. He said they could look at Public Works and other non-safety users being redirected to 700-800, which would be a cost savings, and plan to install those after public safety cutover. He said it will be easier to deal with coordination issues for installation of the non-public safety radios over a longer period of time. He said the most difficult radios to install will be for fire service and ambulances, which will be done well before the cutover.

Hymel suggested that prior to addressing new estimated costs that there be legal review of user agencies and value engineering of the radio equipment based on non-safety user needs. Jeffries said they will prepare a list of agencies for Counsel to review and he will work with his team on the engineering review. Hymel suggested Jeffries highlight the discrete options that may require policy decisions.

E. Review of Measure A 2016 Bond Proceeds Reinvestment Options –  
(Cassingham – Recommendation)

Cassingham updated the Committee regarding the GIC with Bayerische Landesbank Bank, as detailed in the staff report. She said they are looking at permitted investments for the funds on hand once BLB relinquishes the remaining proceeds. She said wherever the funds are invested will have dramatically different interest rates. She will reach out again to Sperry Capital and Gaffney to discuss the possible reinvestment options, including LAIF.

Hymel agreed that we reach out to Sperry Capital and Gaffney to come up with a recommendation.

F. Other Information Items.

Cassingham said she will be reaching out to calendar a 2:30 p.m. Finance Committee meeting on March 10, 2021, just ahead of the Executive Board meeting to receive these reports plus the Annual Audit and Proposed FY21-22 Budgets.

G. Open Time for Items Not on Agenda

None.

H. Adjournment

The meeting was adjourned at 4:27 p.m.

Respectfully submitted by:

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Maureen Cassingham  
MERA Executive Officer  
and Secretary