

MARIN EMERGENCY RADIO AUTHORITY

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MEMORANDUM

DATE: May 31, 2006
TO: MERA Board of Directors
FROM: Martin J. Nichols, Executive Officer
SUBJECT: AGENDA ITEM G: NEW PROJECT FINANCING

Recommended Action: Authorize the Executive Officer to secure new project financing in the amount of \$2,300,000.

Background:

Last year, your Board authorized new project financing of \$2.1 million. We have been able to operate within the amount available in our project fund and it has not yet been necessary to borrow the additional money. Attached is a copy of my May 19, 2006 agenda report.

We now have new costs to be financed:

1. Bolinas Site

Attached is the Motorola cost proposal for the Bolinas site. It estimates the project cost \$464,061. Our previous estimate for the site was \$300,000. We therefore, need to increase our financing proposal by \$164,000.

2. New System Capacity

We have a proposal from Motorola to expand the system “backbone” with nine new frequencies. The additional estimated cost is \$3,685,000.

This is the subject of a separate agenda item.

The Executive Committee recommends that the Board differ action on this project pending a technical study. Once that study is completed, we will again consider moving forward with this project and how to finance it.

Motorola has offered a “municipal lease financing purchase agreement” for this project, which may be an attractive financing alternative.