

MARIN EMERGENCY RADIO AUTHORITY

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MEMORANDUM

DATE: August 31, 2006
TO: MERA Board of Directors
FROM: Martin J. Nichols, Executive Officer
SUBJECT: AGENDA ITEM D: APPROVE OF NEW MERE PROJECT FINANCING

Recommended Actions:

1. Receive a report from Bartle Wells; and
2. Approve an amortized bank loan with a term matching the remaining MERA project debt schedule in the amount of \$2,256,000.

Background:

As requested by your Board, the proposed new MERA financing methodology has been reviewed by both the Executive Committee and the Finance Committee. Both Committees recommend an amortized bank loan with a term to match the remaining MERA debt (15 years).

Mr. Gaffney will be making a report to your Board on the efforts of Bartle Wells to structure the loan and the results of the bids he has requested.

I have also reworked the needed new financing estimate proposed in 2005 to reflect payments made and financing received to date.

My recommended new financing requirements are as follows:

1. Motorola Contract (which now includes the Bolinas Change Order)	\$1,701,000
2. Programming remaining portables	10,000
3. West Marin paging	60,000
4. San Rafael dispatch	150,000
5. Bolinas microwave installation	35,000
6. Contingency	<u>300,000</u>
TOTAL REMAINING COSTS	\$2,256,000

The County has paid MERA \$438,000 for their share of the Bolinas project. This funding has been utilized to pay some current invoices, reducing the needed new financing requirements. Motorola has revised its report on remaining contract obligations to reflect the Bolinas change order and the payment of current invoices.