

MARIN EMERGENCY RADIO AUTHORITY

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DATE: July 17, 2013
TO: MERA Finance Committee
FROM: Maureen Cassingham, Executive Officer
SUBJECT: AGENDA ITEM **J**: REPORT ON PENSION COST FUNDING:
NEXT GEN SYSTEM PROJECT

Recommended Action: Discuss and provide direction on pension cost funding for the Next Gen System Project.

Background: On May 22, the Project Oversight Committee discussed the polling text alignment with the ballot measure funding plan requested by Outreach Consultants Price and Mullen. The text was as follows: “The funds generated by this measure can only be spent for capital purposes such as radios, computer systems and communications towers. They cannot be spent on administration, salaries or pensions”. Since then, Finance Committee Vice Chair Gaffney has offered the following clarifying language:

“The funds generated by this measure can only be spent for capital purposes, such as construction, communication equipment and towers. By law, it cannot be spent for operating purposes such as administration, salaries and pensions.”

MERA General Counsel Ortiz was consulted and suggested adding text to eliminate any confusion between capital project costs and MERA’s general operating costs.

Finance Committee Chair Hymel, Committee Member Rzepinski and I subsequently discussed the Next Gen System budget line item for County Staff support which includes \$2.2M in salaries and benefits. We agreed County pension costs, if necessary, could be removed from this line item altogether (estimated ±\$400,000) and be paid for by the MERA Replacement Fund when it is replenished via the Governing Board-approved reimbursement resolution.

Direction regarding how to address this matter going forward is requested.