

MARIN EMERGENCY RADIO AUTHORITY

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DATE: November 12, 2014

TO: MERA Executive Board

FROM: Maureen Cassingham, Executive Officer

SUBJECT: AGENDA ITEM **D-1**: RECOMMENDATIONS FROM
FINANCE COMMITTEE REGARDING NEXT GEN
SYSTEM PROJECT IMPLEMENTATION:

- a) Initial Project Implementation Schedule, Cash Flow, Bond Financing Plan and Member Apportionment Formula:
 - 1) Implementation Schedule
 - 2) FY2014/15 Next Generation System Project Cash Flow Needs Forecast (Tackabery)
 - 3) Bond Financing Plan
 - 4) Member Apportionment Formula
- b) Policy for Gen III Replacement Reserve
- c) System Upgrade Agreement (SUA) for Gen II System
- d) Appointment of New Standing Committee for Project Oversight
- e) Review of MERA Contract Staffing for Next Gen Project by Executive Officer Work Plan Committee
- f) Contract and Budget for RFP Development and Other Initial Next Gen Project Services
- g) Development of Policy Regarding New Members and Non-Member and Mutual-Aid MERA System Users

Recommended Action: Approve the following recommendations on the above matters for Governing Board action at its December 10, 2014 meeting:

- 1) Proceed with initial Next Gen Project implementation, including development of an RFP to select a third-party consultant to update the AECOM Report Implementation Schedule and create a Next Gen Project vendor RFP, to be funded by MERA Reserves for the remainder of FY14-15.
- 2) Absent a parcel tax, approve Plan B Next Gen Bond Financing Plan for the Next Gen Project as described in the December 11, 2013 Next Gen System Feasibility Study beginning FY15-16 using member revenues with interest-only smoothing, at an annual estimated cost of \$3.6M for 20 years.

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- 3) Assemble a Finance Team (Financial Advisor, Bond Counsel, Underwriters, MERA General Counsel, etc.) for the issuance of bonds and development of pledge documentation, in the absence of a parcel tax, for member governing board approval prior to issuance.
- 4) Absent a parcel tax, approve continued use of the Lando Formula as set forth in the MERA Joint Powers Agreement for apportionment of Next Gen System Project costs.
- 5) Absent a parcel tax, eliminate funding for a Gen III Replacement Reserve.
- 6) Include in the vendor RFP a bid option for a System Upgrade Agreement (SUA) for the Next Gen System.
- 7) Direct development of a restructured Scope of Work for and appoint a Project Oversight Committee using the current Project Oversight Committee composition as a basis for membership supplemented by members with technical expertise.
- 8) Approve MERA staffing via a contract with RGS for Next Gen Project-related administrative and technical interface and support at an estimated cost of \$80,000 from January 1 – June 30, 2015, to be paid from the Replacement Reserve. The proposed scope of work for the Executive Officer and Special Project Manager will be presented to the Executive Board for approval in January.
- 9) Approve refunding the 2007 New Project Note as part of the Next Gen System Project Financing Plan.
- 10) Refer development of a policy regarding new members and non-mutual aid System users to the Project Oversight Committee and Executive Board for future Governing Board action.

Background: The MERA Finance Committee met on November 6, 2014, to develop the above recommendations for Executive and Governing Board action to begin implementation of the Next Generation System Project in December 2014. These recommendations reflect the necessity of moving this mission-critical replacement system Project forward immediately to assure system reliability and improvement before the end of the current system's useful life in 2018.

Funding and implementing the Next Gen Project will not only serve the best interests of the MERA members shared-service relationship and those we serve, our ongoing stewardship will best manage and operate our County-wide public safety communications replacement project.

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ATTACHMENTS:

- D-1a DPW FY14-15 Next Gen System Cash Flow Needs
- D-1b AECOM Final System Design Report, Marin County 6.0
Implementation Plan and Schedule
- D-1c MERA Agency Budget Impacts
- D-1d MERA Apportionment Formula – JPA Excerpt