

G.B. 8/26/15 Agenda Item A-1

MARIN EMERGENCY RADIO AUTHORITY

c/o Novato Fire Protection District

95 Rowland Way, Novato, CA 94945

PHONE: (415) 878-2690 FAX: (415) 878-2660

www.meraonline.org

GOVERNING BOARD

Minutes of June 24, 2015 Regular Meeting

DRAFT: 7/21/15

Call to Order and Introductions:

The meeting was called to order by President Pearce on June 24, 2015 at 3:33 p.m. at the Novato Fire Protection District's Administration Office, Heritage Conference Room, 95 Rowland Way, Novato, CA 94945. Self-introductions followed. Pearce welcomed Tubbs as the new Southern Marin Fire Protection District – Alternate #1 Member.

Governing Board Members & Alternates Present:

Town of Fairfax

David Cron (Alternate)

City of Larkspur

Robert Sinnott

City of Novato

Jeanne MacLeamy

Town of Ross

Tom Gaffney

Town of San Anselmo

Doug Kelly (Alternate)

City of Sausalito

John Rohrbacher (Alternate)

Town of Tiburon

David Hutton (Alternate)

Bolinas Fire Protection District

Anita Tyrrell-Brown

Inverness Public Utility District

Jim Fox

Kentfield Fire Protection District

Paul Smith, Ron Naso (Alternate)

Marin Transit

Amy Van Doren

Marin Municipal Water District

Bill Hogan

Marinwood Community Services District

Tom Roach

Novato Fire Protection District

Brad Beedle

Ross Valley Fire Department

Richard Shortall

Southern Marin Fire Protection District

Chris Tubbs (Alternate)

Tiburon Fire Protection District

Richard Pearce

Central Marin Police Authority

Todd Cusimano

Governing Board Member Agencies Absent:

City of Belvedere

Town of Corte Madera

City of Mill Valley

City of San Rafael

County of Marin

Marin Community College District

Stinson Beach Fire Protection District

Staff Present:

MERA Executive Officer	Maureen Cassingham
MERA General Counsel	Trisha Ortiz
MERA Deputy E.O. – Next Gen Project	Dave Jeffries
MERA Admin. Assistant – Next Gen Project	Alex Anderson
MERA Operations Officer	Craig Tackaberry
Communications Services Mgr. (DPW)	Shelly Nelson
County Communications Engineer	Richard Chuck
Recording Secretary	Jennifer Schwarz

Guests Present:

Raul Rojas	County Public Works Director
------------	------------------------------

A. Consent Calendar

All matters on the Consent Calendar are to be approved with one motion unless a Member of the Governing Board or the public requests that a separate action be taken on a specific item.

1. Minutes from May 13, 2015 Governing Board Regular Meeting
2. Report No 28 on Strategic Plan Implementation
3. Report on Measure A Citizens Oversight Committee (COC)

M/S/P MacLeamy/Tyrell-Brown to approve Consent Calendar Items 1-3 as presented.

AYES: ALL

NAYS: NONE

ABSTENTIONS: NONE

Motion carried.

B. Executive Officer's Report (Cassingham)

- 1) Proposed Next Generation Radio System Implementation Agreement Between Marin Emergency Radio Authority and the County of Marin

Cassingham summarized her report on the proposed Agreement, noting its development by MERA and the County had commenced in February. The Governing Board had requested a stand-alone Agreement due to the magnitude of the Next Gen Project. Counsels and staff have been working on the language to convey the Board's intent to clarify the roles and responsibilities of the parties. To this end, staff is calling the Board's attention to Section 11- "Relationship Between DPW and MERA" and Exhibit A - "Services to be Provided by the County".

MERA Governing Board

Minutes of June 24, 2015, Regular Meeting

Page 3

Pearce requested discussion. Van Doren said her read of it is the County is accountable to MERA for the Project without micro-management by MERA in terms of the reporting relationship. MacLeamy added that this Board is ultimately responsible for the Project in terms of on-time and on-budget implementation. She said Cassingham had reviewed with her the checks and balances between the parties as noted in the Agreement and asked Cassingham if any more clarity was needed. Cassingham referred to the parties' duties as set forth in Section 11. She noted MERA retains control over the approval of the Project's major contracts. The Section also sets forth the Executive and Deputy Executive Officer's responsibilities for the Next Gen Project,

Cassingham referred to the services in Exhibit A, especially Item C, which requires MERA's approval of a detailed Project budget prepared by the selected vendor in the first phase of that contract. She noted the requirement of monthly DPW reports to the Project Oversight Committee to assure timely monitoring of the Project budget and schedule. The Committee's role is to focus on the details of the Project on the Board's behalf.

Pearce commented on MERA's organizational structure, noting that in the beginning, the Executive Officer was responsible for MERA's administration and technical operations. When DPW was charged with operations, DPW began reporting directly to the Executive Committee and Governing Board. There needs to be close tie-in between Admin and Ops for implementation of this Project. He said he had raised milestone coordination with Tackaberry to ensure the Executive and Deputy Executive Officers' input without micro-management. Tackaberry noted there is a fine line between involvement and timely action, adding MERA retains control over scope, budget, major contracts, along with recurring monthly Project reports. He said he will look to Cassingham and Jeffries to identify the Committee or Board to make Project decisions. MERA's control over major Project contracts is consistent with what the Governing Board approved in December 2014. He said this Agreement is on the Board of Supervisors June 30 agenda and DPW staff is recommending its approval.

Rojas said the monthly Project reports will be provided to Cassingham and Jeffries, which will provide the connection between DPW and MERA administrative staff. Ortiz noted the monthly reporting requirement memorializes what has happened, but is not prospective. Pearce said the Executive Officer provides monthly reports to him, which cite what has been done and notes upcoming tasks and activities. Ortiz said the Governing Board could also direct the Project Oversight Committee to follow-up on the monthly reports. Rojas confirmed that DPW reports can confirm both what has been done and what lies ahead to the extent it can be forecast, which is standard for engineering reports.

Referencing paragraph 2 on page 3 of the Agreement, Gaffney asked what type of contracts DPW could enter into without MERA approval. Tackaberry said, for example, a biologist study costing, say \$75,000 for one of the new sites. He said consultant feedback during the interviews on the old RFP was that MERA might consider, instead of one vendor for the whole system, different vendors for construction of some of the sites might be advantageous. Rojas said a radio system contractor would likely not be engaged to pave a tower site road, so this is another example of one of these ancillary contracts.

MERA Governing Board

Minutes of June 24, 2015, Regular Meeting

Page 4

Gaffney asked how the threshold of \$1M was arrived at for the fourth category of contracts requiring MERA approval. Cassingham said it reflected a percentage of the overall \$40M Project Budget. He asked who the Project Management Consultant would report to.

Tackabery confirmed this Consultant would report to DPW. Gaffney asked about Exhibit B - "Compensation or Fees Paid to County". Tackabery confirmed the estimated \$2M in DPW staff services was included in the \$40M Project Budget. Gaffney said what if the CPI exceeds the actual increase in DPW staff costs and shouldn't MERA pay the lower of the two.

Tackabery said this is the language in all the DPW/MERA agreements. Gaffney said what MERA pays should be based on DPW wages; however, this may not be significant.

Pearce asked if more language needed to be added or sections revised. He asked for input or acceptance of what has been presented. MacLeamy noted the Agreement provided for indemnification and Pearce added there is also a provision for termination, if needed, which offers some security. He said it is incumbent on all the members of this massive JPA to be comfortable with the Agreement and implementation of the Project. Gaffney added the Project will benefit from having experienced staff who worked on the current system. Pearce suggested the Finance Committee be involved in monitoring budget line items. Cusimano suggested a Subcommittee of the Project Oversight Committee could be tasked to do this with Finance Committee participation. Pearce cited the Project timeline and timeliness of cash flow as critical to successful implementation.

Gaffney said the Finance Committee will soon be considering issuing an RFP for Financial Advisory Services. DPW will be asked for a funding draw-down schedule to assist with the timing of financing which may result in multiple bond issues to address cash flow needs while initially using a pay-as-you-go approach to minimize interest costs. A Financial Advisor will help sort this out and a plan will be presented to the Executive and Governing Boards.

Cassingham said the Finance Committee can be included in the Project monthly reports distribution and she supported the engagement of an F.A. sooner versus later to time our approach to the market and Project drawdowns. Pearce said this is all integral to the success of the Project. Timely and effective communications between all the parties is critical. Beedle added that it is vital for each member representative to keep their respective Councils and Boards informed and involved. Pearce said the more eyes on the Project, the better; and while the structure may seem cumbersome, involvement is essential. Cassingham said she will work on a communication process within the governance structure to achieve this.

Ortiz said during the course of developing this Agreement, there was considerable discussion about the MERA approval process. She and Cassingham sought to memorialize the reporting relationship between DPW and MERA while leaving to MERA the determination of how to disseminate information and approve the required actions. The result was to give MERA the maximum flexibility for taking action. Van Doren requested a staff report be presented at the next Governing Board meeting outlining how MERA's internal oversight process would work. Pearce said revisiting the flow chart would assure everyone's comfort with it.

Pearce confirmed with Rojas that DPW would be comfortable with prospective monthly Project reporting. He also asked for a process that helps manage budget line items that would anticipate any overruns. Tackabery said the monthly reports would include budget updates to

monitor this. Cassingham reiterated the tightness of the contingency, so close monitoring of line items is critical.

M/S/P Beedle/Van Doren to approve the Next Generation Radio System Implementation Agreement between MERA and the County of Marin.

AYES: ALL

NAYS: NONE

ABSTENTIONS: NONE

Motion carried.

2) Report No. 4 on Next Gen Project Oversight Committee (NGPOC) – (Jeffries)

Jeffries reported on the Committee meeting that took place immediately preceding this one. The RFP process for the Wireless Communications Consultant resulted in the receipt of six proposals - from Federal Engineering, Scientel, AECOM, Tusa, Blue Wing and Deltawrx. A Subcommittee of the NGPOC comprised of Cusimano, Doyle and Pearce, along with staff, interviewed Federal Engineering, Scientel and AECOM. The Subcommittee ranked the three finalists, with Federal Engineering as Number 1, Scientel Number 2 and AECOM Number 3. The rankings were presented to the Oversight Committee and they approved these ranking recommendations for presentation to the Executive Board on July 8. With the Board's approval, DPW will begin negotiation of a contract with Federal Engineering for presentation to the Governing Board on August 26. Should these negotiations not be successful, the Committee recommended MERA approach Scientel and AECOM respectively. He said Pearce, Cusimano and participating staff were here to answer questions. Pearce said it was an interesting process and we have three very qualified respondents. It was very fair and educational, resulting in some great ideas in how to keep vendor costs down in Phase 2, such as outsourcing tower site construction and building certain controls into design specifications. Jeffries clarified that this is Phase 1 consultant contract. The same or a different consultant could be used for Phase 2.

MacLeamy asked if the consultant's scope was still being defined. Jeffries said the scope would be fine-tuned in negotiations but the key tasks were still to refresh the prior vendor RFP through system vendor selection. Phase 2 for project management would follow. She further inquired about consultant costs. Jeffries said finalizing the scope might affect costs, which range from \$212,000 to \$367,000 from the ranked firms. MacLeamy asked if our estimated cost for this Phase was \$90,000. Pearce said this was the original estimate. Jeffries said there was a misunderstanding over whether the \$90,000 estimate was for this fiscal year versus the estimated Phase 1 cost. Tackaberry said that cash-flow estimate was for the current fiscal year with the understanding the work would extend to FY15-16. No funds will be expended in this fiscal year. MacLeamy confirmed \$90,000 was budgeted for the current year. Tackaberry said \$200,000+ was budgeted through June 30 including DPW time. Cost of next year's negotiations will depend on staff hours required. Consultants based their fees on one-meeting approvals, which may need to be negotiated if more MERA meetings and time are required. She noted given the tight contingency, we will need to monitor costs closely. Pearce said the \$200,000 to \$300,000 range of Phase One fees was close and, while more than anticipated, is

within the ballpark. He said another question asked of the consultants is whether the Project budget is on point which they confirmed it was. There are other procurement opportunities to control and time Project costs. He added that the range of Phase 2 fees was much broader and will require considerable negotiation.

Kelly asked what factors established the consultant rankings. Pearce responded the experience of the personnel and the firm and familiarity with P25 systems. Federal Engineering had the depth and breadth of knowledge and experience we are seeking along with their familiarity with the Bay Area, including past work for MERA and their selection for the City/County of San Francisco project. The Subcommittee however was comfortable with all three consultants. Jeffries added that Scientel offered some very creative ideas but was a smaller firm. Federal was ultimately a better match for MERA's Project. Gaffney confirmed Federal's fees were lower but Jeffries said they may be affected by finalization of scope. All this will come back to the Governing Board for approval. Jeffries and Cusimano concurred that these fees may be offset by the consultant's ability to reduce vendor costs. Cusimano said Federal has been involved with recent negotiations with over 20 vendors and know where cost savings can be achieved. Jeffries' report was accepted as informational.

3) Report on Award of Bid for Surety Substitution for 2010 Refunding Revenue Bonds Reserve

Cassingham summarized her informational staff report noting authorization of the Surety Substitution by the Governing Board on May 13, 2014. She, Gaffney, Sperry Capital and Bond Counsel Reyes subsequently issued a RFP for bids on obtaining the Surety and received two bids on June 5. Estimated cost of the Surety was \$18,000. Build America Mutual Assurance Company (BAM) was the lowest bidder at \$28,721.25 which is within reasonable range of the estimate and provides the needed cash flow for the Next Gen Project in FY15-16 at minimal cost to MERA. The purchase closing was on June 23 with delivery of the proceeds from the Trustee the first of next week to the MERA Project Fund. Investments in the Reserve Fund will be liquidated on the June 27 call date, which will result in another \$7,000 for MERA for a total of \$2,063.00 for use for Replacement Fund reimbursement and FY15-16 Next Gen cash flow. She thanked Gaffney for all his assistance with finalizing this opportunity which required much more work than anticipated. Gaffney said this frees up \$2.1M which we could not have accomplished at any less expense. He said the insurance companies were challenging to work with. Total Surety costs were estimated at \$30,000 and final costs were \$39,000 so we were not far off. This allows us to postpone financing interest, confirm parcel tax proceeds and fund initial Project implementation.

4) Proposed Bay Hill Sublease Agreement Between MERA and Incline Partners LLC

Cassingham noted the Governing Board had received numerous reports on this matter since the July 31, 2014 termination of AT&T Successor Crown Castle's Sublease with MERA for the Bay Hill Tower. MERA continued to pay Rancho Vista Del Mar, the underlying property owner, until proof of Incline Partners' ownership of the Tower was provided on May 22, 2015. She noted this is a critical tower site in MERA's system which has affected sublease negotiations with Incline. Incline will be replacing the existing Tower to accommodate other users. The Executive Board approved a \$75,000 budget to remove and reinstall MERA's

equipment on the replacement tower. Deconstruction is planned for the week of September 13.

Cassingham described the extensive exchanges and negotiation limitations involved with the proposed Sublease. She outlined the key business terms noting the monthly rent increase to \$4,500 which represents a 52.5% increase, payment of a \$6,000 Administrative Fee which MERA paid the previous sublessor and payment of \$12,000 to reimburse Incline for its Shelter acquisition costs. Cassingham noted this was a difficult business term given that MERA originally constructed this Shelter at its own cost which ownership reverted to AT&T under the original sublease. MERA's use of it is now included in the Site rent. She said in comparison with the other rents paid for privately owned sites, the new amount is still significantly below the mid-range of those rents. Because the dollar amount involved in the 10-year term of the Sublease which is more than \$500,000, Governing Board approval is required. She noted the terms of the accompanying Road Maintenance Agreement were the same as the prior agreement. Pearce said he applauded Cassingham and Ortiz's efforts over this last year to finalize the Sublease.

M/S/P Cusimano/Sinnott to approve the Bay Hill Sublease Agreement between MERA and Incline Partners LLC and authorize the Executive Officer to execute same.

AYES: ALL

NAYS: NONE

ABSTENTIONS: NONE

Motion carried.

5) Proposed Amendments to MERA Reserve Funds Policy Re: Interfund Transfer and Emergency Minimum Fund Balance

Cassingham said, per Governing Board direction, the proposed Policy amendments are presented to permit a reduction of the minimum Emergency Fund balance of \$500,000 and interfund transfer of \$300,000, upon authorization of the Executive Board, from the Emergency Fund to the Replacement Fund for Next Gen Project cash-flow purposes in FY15-16 if needed. She said this is a tool that may not be used given the likelihood of quicker cash flow from the Surety Substitution.

M/S/P Cusimano/Gaffney to approve the Amendments to the MERA Reserve Funds Policy regarding Interfund Transfer and Emergency Fund Minimum Balance.

AYES: ALL

NAYS: NONE

ABSTENTIONS: NONE

Motion carried.

6) Confirmation of Regular Monthly Meeting of Governing Board for November 2015

Cassingham requested input on the November 2015 meeting date. Given the November 11 Veterans' Day Holiday and proximity of November 25 to the Thanksgiving Holiday, it was agreed no date would be set unless a special meeting is required.

7) Other Information Items

None.

C. Operations Reports (Tackabery)

1) Other Information Items

Tackabery noted the efforts of the MERA Ops Group on updating the system training materials and establishing "trainings-of-the-trainers" at each agency. There is a sense more end-user training is needed so more training opportunities will be scheduled, possibly through regional meetings. Given the need for technical input on Next Gen System Project from Ops, he encouraged more technical representatives from each agency to attend.

Cusimano asked about DPW getting on a future Chiefs' Meeting Agenda. Tackabery said more needed to be done before this is scheduled. Pearce said the Fire Chiefs support for working on templates well in advance of Next Gen implementation.

D. Open Time for Items Not on Agenda

Naso expressed his thanks for DPW's report at the last meeting on the status of work on System dead spots in the County. He acknowledged the outreach by the DPW team. If the team or members become aware of issues, they should communicate them to each other. If fixes are financially feasible, they should be agendized.

E. Adjournment

The meeting was adjourned at 4:28 p.m.

Respectfully submitted,

Maureen Cassingham
Executive Officer and Secretary

Next: MERA Governing Board Regular Meeting – Wednesday, July 22, 2015 – 3:30 p.m.