

MARIN EMERGENCY RADIO AUTHORITY

c/o Novato Fire Protection District
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DRAFT: 5/6/16

GOVERNING BOARD

Minutes of April 27, 2016 Regular Meeting

Call to Order and Introductions:

The meeting was called to order by President Pearce on April 27, 2016 at 3:32 p.m. at the Novato Fire Protection District's Administration Office, Heritage Conference Room, 95 Rowland Way, Novato, CA 94945. Self-introductions followed.

Governing Board Members & Alternates Present:

Town of Fairfax	David Cron (Alternate)
City of Larkspur	Scott Shurtz
City of Mill Valley	Angel Bernal
City of Novato	Pam Drew (Alternate)
Town of San Anselmo	Doug Kelly
City of San Rafael	Bob Sinnott (Alternate)
County of Marin	Matthew Hymel
City of Sausalito	Bill Fraass (Alternate)
Town of Tiburon	David Hutton (Alternate)
Inverness Public Utility District	Jim Fox
Kentfield Fire Protection District	Mark Pomi, Ron Naso (Alternate)
Marin Transit	Amy Van Doren
Marinwood Community Services District	Tom Roach
Novato Fire Protection District	Steve Metcho, L. J. Silverman (Alternate)
Southern Marin Fire Protection District	Martin Langeveld, Chris Tubbs (Alternate)
Tiburon Fire Protection District	Richard Pearce
Central Marin Police Authority	Michael Norton (Alternate)

Governing Board Member Agencies Absent:

City of Belvedere
Town of Corte Madera
Town of Ross
Bolinas Fire Protection District
Marin Community College District
Marin Municipal Water District
Ross Valley Fire Department
Stinson Beach Fire Protection District

Staff Present:

NERA Executive Officer
NERA General Counsel
NERA Deputy Executive Officer – Next Gen Project
Communications Services Mgr. (DPW)
County Communications Engineer
Recording Secretary

Maureen Cassingham
Trisha Ortiz
Dave Jeffries
Shelly Nelson
Richard Chuck
Denise Wade

Guests Present:

Craig Tackabery

Rajit Jhaver
Bob Simmons
Rodney Hughes
Jim Gibbs

Marin County Chief Assistant
Public Works Director
Federal Engineering
Federal Engineering
Motorola
Sperry Capital, Inc.

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. Resolution of Commendation – Steve Kinsey, President
Marin County Board of Supervisors
Representing District 4
NERA Governing Board President, Member and Alternate and
Executive Committee Chair, Member and Alternate,
Representing County of Marin
2. Minutes from March 23, 2016 Governing Board Regular Meeting
3. Report No 39 on Strategic Plan Implementation
4. Update on Marin County Office of Education (MCOE) Request for NERA Radios

M/S/P Pomi/Silverman to approve Consent Calendar Items 1 through 4 as presented.

AYES: ALL

NAYS: NONE

ABSTENTIONS: Item 2 City of Mill Valley, City of Novato, Inverness Public Utility District,
Marin Transit, Southern Marin Fire Protection District

B. Executive Officer's Report (Cassingham)

1) Update on MERA 2016 Special Parcel Tax Bond Financing – Next Gen Project

Cassingham summarized her informational update on the activities undertaken since the Governing Board authorized MERA to issue bonds for the Next Gen Project on March 23. She said the bond documents have been assembled for the ratings process. Gibbs and Vujovich did an excellent job in preparing the PPTs for the rating agency briefings. The Fitch and S&P conference calls were conducted on March 30 and April 4.

Cassingham said the Board of Supervisors conducted a public hearing on the bond issuance as required by State law. The BOS approved a Resolution authorizing the Financing Agreement with MERA along with the Preliminary Official Statement. Out of the rating process, the Financing Team made certain adjustments to the Financing Plan, including extending the bond term to 2035 and full issuance of the authorized \$33M in bonds. A bond reserve was added along with an increase in debt service coverage, bond insurance and a reserve fund surety. These adjustments add to the Project's funding capacity both now and later if needed.

Cassingham said in the best interest of the bonds, MERA withdrew its rating request from S&P and substituted Moody's. She said rating agency reports will be reviewed on Thursday and Friday of this week. Competitive bids will be solicited for the reserve fund surety to provide an additional source of funds for the Project. A guaranteed investment contract for bond proceeds will also be competitively bid as authorized by the Indenture. This process will follow the sale of the bonds on May 5 and will be facilitated by Sperry Capital. She invited Gibbs to add his comments.

Gibbs noted the financing schedule was lengthened to allow additional time to work on the rating. The issue that arose was our perception of the issuance as a soaring eagle versus rating agency perception of it as a duck. He said we convinced them it is an eagle and expect very good ratings from both agencies. He thinks ratings will be AA which is what we thought from the beginning. The market is terrific and even better than when we started. The bonds will be sold by competitive bid on May 5 and it should go well.

The Governing Board accepted the report as informational.

2) Creation of "MERA 2016 Bond Project Fund"

Cassingham said, as required by the Governing Board approved 2016 Bond Indenture, a new Fund must be established to receive bond proceeds and any interest earnings on them. In August 2015, the Governing Board created a new Fund to receive and expend Parcel taxes collected by MERA for the Project. Pearce asked if this Fund now needs to be closed out in favor of the new Fund being created today. Cassingham said both funds would still be needed, one for the taxes and the other for bond proceeds.

M/S/P Kelly/Van Doren to adopt Resolution 2016-06 creating the “MERA 2016 Bond Project Fund”.

AYES: ALL
NAYS: NONE
ABSTENTIONS: None
Motion carried.

3) Report No. 14 From Next Gen Project Oversight Committee (NGPOC) – (Jeffries)

Jeffries noted the final draft vendor RFP would be discussed later in the meeting. Senior homeowner exemption press releases will continue along with outreach to local senior organizations up to the June 1 deadline for applications.

4) Proposed Response to Marin County Civil Grand Jury 2015-16
Web Transparency Report Card

Cassingham said this is an update to prior reports on this matter that began when MERA was notified by the Civil Grand Jury that there were some deficiencies in its Website. MERA was permitted to address these deficiencies in meeting the Grand Jury’s criteria. A Quick Link was added to the Website Home Page which takes the visitor, with a simple click on the criteria, to the documents or information behind it.

MERA completed the self-audit form and received a B grade, noting 8 of the 10 criteria had been met. Of the 126 public agency websites reviewed, only 34 received a grade of B- or better. Cassingham is seeking Governing Board input on addressing the 2 deficient criteria of appointed officials’ biographies and contracts information. She noted maintenance of the 25 members’ biographies would be labor intensive but could be done. Contract information could be enhanced by adding references to marincounty.org “Contracting Opportunities”. While MERA does not have to respond to the Grand Jury’s Report Card due to its B grade, these enhancements could be undertaken which would further enhance transparency and possibly improve MERA’s grade.

Pearce asked for the pleasure of the Board noting limited traffic to our Website. He said it might be prudent to add the contracting information. Kelly added his support for adding contract information and agreed that, while it might be good to have the biographical information, it requires significant staff work to keep them updated with our turnover.

M/S/P Van Doren/Kelly to direct enhancement of the Contracts information on the meraonline.org Web Transparency tab and reporting same to the Marin County Civil Grand Jury.

AYES: ALL
NAYS: NONE
ABSTENTIONS: None
Motion carried.

5) Other Information Items

Cassingham reported that the Governing Board agenda packet would be distributed at least one day later than usual for the May 11 meeting due to the Executive Board meeting on May 4 and bond sale on May 5.

C. Operations Reports (Echols)

1. Next Gen Project Cost Estimate – Federal Engineering – April 4, 2016

Tackabery, in Echol's place, called on Jhaver to present the report. He noted that the Federal Engineering (FE) team had been tasked to update the Project cost estimate. Jhaver said the update was based on current market-based pricing. He reviewed the base budget cost line items noting consulting services for implementation oversight reflected FE's current hourly rates. The subscriber equipment, namely mobile and portable radios, is \$11,850,000. Radio infrastructure, which is the bulk of the Project cost, includes repeaters and site equipment at \$25,546,000. Site infrastructure/development is estimated at \$4,786,000 which includes existing site remediation and new sites.

Jhaver noted, the additional/optional items cost estimate of \$1,895,000 for a 5th antenna/repeater site and \$484,000 for optional features such as encryption and over-the-air programming. Pearce noted the base budget is about 8% over the original Project estimate. He inquired about the \$4M estimate for four additional sites. Jhaver said this was infrastructure costs only for the development of towers, shelters and related equipment. The 4 sites radio infrastructure costs are included in the \$25M+ line item.

Hymel asked about the number of radios in the cost estimate. Jhaver said it was 3,000: 2,000 portables and 1,000 mobiles. It was the consensus of the Governing Board to accept this report as informational.

2. Proposed Vendor Request for Proposals – Next Gen System Project

Tackabery introduced the report noting all the work that has gone into developing the draft RFP since FE was engaged, including the extensive collaboration with MERA/County staff to present it for Governing Board approval today. He invited questions and comments. With Governing Board approval, the RFP will be issued to potential vendors on May 6.

Jhaver thanked everyone for their feedback. The draft was circulated to the Executive Board, Next Gen Project Oversight Committee, Operations Issues Group and MERA and County staff. He cited Jeffries' work in gathering all the input and creating a spreadsheet format for use by FE in incorporating it into the draft. Everything was incorporated except for very few comments that conflicted within the document or were vendor specific. The version before the Governing Board reflects all this.

In addressing Pearce's concern about managing change orders, Jhaver noted the great detail and strong language in the RFP which should help clarify and specify what is needed from the vendors. He also pointed to the negotiation process which is critical to protecting MERA and the County in the final contract from change orders and the effective communication of design criteria. Another key piece of the RFP intended to protect MERA is the lifecycle criteria which protect our interests and investment over the system's useful life.

Van Doren inquired about Item 3 at the bottom of Page 7 as an option. She was concerned about the confusion it might create for the vendors as to what they are pricing. Jhaver said this is not an option for the proposers but for MERA and the County. The Jail is part of the base proposal while the Cal-Park Tunnel is an option. Jeffries said this optional item provides pricing for a member agency to acquire on its own. He said Cal-Park Tunnel is not a MERA installation. It was installed by several MERA agencies. Separate pricing permits them the opportunity to consider it. The same with separate pricing for dispatch centers operated by member agencies. Nelson added that this saves member agencies from having to get bids on their own.

Kelly inquired about the \$1M and \$2M aggregate insurance provisions of the Professional Services Contract appended to the RFP. These limits seem low for this Project. Jhaver said these limits are standard but we can ask for higher. Kelly also noted the indemnification language which likewise is limited. Hymel clarified that at this point, we are not entering into a vendor contract wherein the \$40M system is under construction. The question at that point will be "what is the appropriate level of insurance". This would be an important requirement to consider in the vendor contract. The proposed limits apply to the submission of bids and will allow us to cast the widest net for vendors.

Jeffries confirmed for Hymel that the RFP had been vetted through the Next Gen Committee, Ops Group, staff and Executive Board. Kelly added that he had also participated in the vetting. Jhaver, in response to Hymel, said that in his experience, there would likely be 3 vendors proposing. 4 would be rare and 2 might be possible. He added it is usually a soft-side business decision about whether a vendor proposes versus the extensiveness of the RFP. It depends on assessment of their resources. Van Doren said the RFP is very extensive which Jhaver said was usual. He said significant cost goes into preparing a proposal which is also part of a vendor's decision to propose.

Hymel asked if there was anything in the RFP that was particularly onerous or off-putting. Jhaver said no. Nelson added that in 2010, 9 vendors attended the bidders' pre-conference and 2 proposals were received. Of the 9, some were large vendors and others were small contractors focused on the construction portion. Jhaver confirmed that the pre-bid conference for Next Gen is on May 16.

Pearce commented on the RFP as a remarkable piece of work and commended the FE team, Jeffries, the DPW team, the Ops Group, Cassingham, and Committee and Board members for

all their work and input. He said it includes everything we had talked about with the member agencies and assured them that we would address. It provides tower and coverage options, volunteer paging, station alerting and other features as we have discussed since the Project's inception.

M/S/P Kelly/Metcho to approve the Request for Proposals for the Next Gen System Project as presented and direct MERA/County staff to solicit vendor proposals per the Staff Report.

AYES: ALL
NAYS: NONE
ABSTENTIONS: None
Motion carried.

3. Other Information Items

None.

D. Open Time for Items Not on Agenda

None.

E. Adjournment

The meeting was adjourned at 4:02 p.m.

Respectfully submitted,

Maureen Cassingham
Executive Officer and Secretary

Next: MERA Governing Board Regular Meeting
Wednesday, May 11, 2016 – 3:30 p.m.