

MARIN EMERGENCY RADIO AUTHORITY

c/o Novato Fire Protection District
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DRAFT: 6/9/16

GOVERNING BOARD

Minutes of May 11, 2016 Regular Meeting

Call to Order and Introductions:

The meeting was called to order by President Pearce on May 11, 2016 at 3:30 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	Chris Morin
City of Larkspur	Scott Shurtz
City of Mill Valley	Angel Bernal
City of Novato	Pam Drew (Alternate)
Town of Ross	Tom Gaffney
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)
Ross Valley Fire Department	Mark Mills
Southern Marin Fire Protection District	Chris Tubbs (Alternate)
Stinson Beach Fire Protection District	Kenny Stevens
Tiburon Fire Protection District	Richard Pearce
Central Marin Police Authority	Todd Cusimano

Governing Board Member Agencies Absent:

City of Belvedere
Town of Corte Madera
Bollinas Fire Protection District
Marin Community College District
Marin Municipal Water District

Staff Present:

MERA Executive Officer	Maureen Cassingham
MERA General Counsel	Trisha Ortiz
MERA Deputy Executive Officer – Next Gen Project	Dave Jeffries
MERA Operations Officer	Pat Echols
Communications Services Mgr. (DPW)	Shelly Nelson
County Communications Engineer	Richard Chuck
Recording Secretary	Denise Wade

Guests Present:

Rodney Hughes	Motorola Solutions
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A. Election of Officers for MERA Governing Board (President and Vice President)

Cassingham presented the Executive Board's May 4 nominations of Tiburon Fire Protection District Chief Pearce and Chief Cusimano, Central Marin Police Authority for the positions of President and Vice President respectively. The Executive Board recommends their election.

M/S/P Roach/Sinnott to elect Chief Pearce and Chief Cusimano as President and Vice President of MERA, respectively.

AYES: ALL

NAYS: NONE

ABSTENTIONS: NONE

Motion carried.

Pearce acknowledged Hymel for his service as Vice President noting his support and efforts for MERA throughout the implementation of the Parcel Tax and the Next Gen System Project.

B. 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 April 27, 2016 Governing Board Regular Meeting
2. Report No 41 on Strategic Plan Implementation
3. Update on Marin County Office of Education (MCOE) Request for MERA Radios
4. Confirmation of Monthly Regular Governing Board Meeting Dates: FY16-17
5. Proposed Resolution Confirming Biennial Review of the MERA Conflict of Interest Code

6. Status of FY15-16 Equipment Replacement Requests and Proposed FY16-17 Equipment Replacement Requests – (Echols)
7. Status of FY15-16 System Analysis Capital Projects and Proposed FY16-17 System Analysis Capital Projects (NON-Next Gen System) – (Echols)

M/S/P Tubbs/Gaffney to approve Consent Calendar Items 1-7 as presented.

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

C. Executive Officer's Report (Cassingham)

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

Cassingham extended kudos to the Financing Team for all their work leading to the successful sale of \$33M bonds on May 5, at an interest rate of 2.534130%, including cost of issuance. She acknowledged Sperry Capital's spot-on anticipation of a 2.5% interest rate some months ago. The bond sale was witnessed by Pearce, Gaffney and her at Sperry Capital's office. There were 8 interested underwriters with 6 bidders, with rates ranging from 2.53% to 2.74%. Bank of America Merrill Lynch was the low bidder.

Gaffney commented on the 6 bids from almost every investment bank either directly or by syndication. He was very pleased with their interest and the outcome for MERA. Pearce thanked Gaffney for his exceptional efforts and leadership throughout the process. He noted Gaffney's efforts with the original MERA bond financing and refunding in 2010. He added that it was important to announce the sale outcome in a timely fashion to the Governing and Executive Boards in one communication to all.

Cassingham reported the outcome of the competitive bidding process for the investment of bond proceeds on May 10. 5 bids were solicited with 2 bidders. Low bidder was Nataxis Funding Corporation, which is part of Nataxis Bank, a French banking institution. Their bid was 1.191%. The investment contract is conditioned on no Project draws until April 1, 2017. The Bond Trustee holds the contract and administers the draws. In the event MERA needed the funds sooner, the proceeds would be returned to MERA. Interest earnings will be applied to the Project. She noted the bidders were evaluated on their current rating agency ratings. The Investment Contract would be terminated should Nataxis ratings be downgraded by Moody's, Fitch and/or S&P. Gaffney said the successful sale of the bonds was based on the Moody's AA1 and Fitch's AA- ratings. Cassingham added, pre-closing and closing are scheduled for next week.

Pearce again thanked Gaffney, Cassingham, Sperry Capital and the rest of the Financing Team.

2) Report No 16 from the Next Gen Project Oversight Committee (NGPOC) – Jeffries

Jeffries said the vendor RFP was released on May 5 with proposals due by July 22. The mandatory pre-bid conference is on May 16. The ensuing two weeks will include site visits led by Chuck. The final press release for the Low-Income Senior Homeowner Exemption was issued on May 5. He announced the next NGPOC meeting is on July 27, which is a few days after proposals are due. Selection of a Subcommittee to review the proposals is on the agenda, along with a review of the process itself.

In response to Naso's question, Jeffries confirmed additional extensive outreach to senior groups and other County organizations to get the word out about the Exemption, along with distribution of packets of applications and FAQs to the member agencies. Cassingham added that applicants who missed last year's deadline were mailed applications for this year.

3) Proposed FY16-17 Technical Services Annual Agreement between MERA and the County of Marin

Cassingham said this is one of the two agreements with the County to be acted on today which are already included in the Proposed FY16-17 Operating Budget. Components of the Agreement are training, technical services and administrative services. Administrative costs have been adjusted by the CPI, which slightly increases the total Agreement cost to \$301,810. Pearce said the Executive Board recommends approval.

M/S/P Tubbs/Kelly to approve the Proposed FY16-17 Technical Services Annual Agreement between MERA and the County of Marin as presented.

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

4) Proposed FY16-17 Communication Engineering Services Agreement between MERA and the County of Marin

Cassingham noted that the cost of Chuck's services to MERA have been adjusted by the CPI reflecting a total annual cost of \$206,872. She noted the Executive Board's recommendation of this Agreement.

M/S/P Kelly/Tubbs to approve the Proposed FY16-17 Communication Engineering Services Agreement between MERA and the County of Marin as presented.

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

5) Other Information Items

None.

D. Public Hearings

Pearce opened the Public Hearings.

1. Proposed Resolution Confirming MERA FY15-16 Capital Project Budgets and Expenditures from Reserves:

Fund 70032 (New Project Financing)

Fund 70036 (Replacement)

Fund 70038 (Next Gen Project)

Cassingham said presentation of this Resolution incorporates the various budgets and expenditures approved during the fiscal year in one document for the Auditor. She noted the approved allocations for each of the Funds. Kelly inquired about the budgeted legal fees in Funds 70032 and 70038. She said these fees are for General Counsel meeting attendance, advice, work on agreements, contracts and leases, CEQA review and other legal analyses. She added that these fees represent about 1% of the respective fund balances. Pearce called for public comment and there was none.

M/S/P Kelly/Gaffney to approve the Proposed Resolution of the Governing Board of the Marin Emergency Radio Authority Confirming MERA FY15-16 Capital Projects Budgets and Expenditures for Funds 70032 (New Project Financing), 70036 (Replacement) and 70038 (Next Gen Project) as presented.

AYES: ALL

NAYS: NONE

ABSTENTIONS: None

Motion carried.

2. Proposed FY16-17 MERA Operating Budget and Zero-Rate Fee Schedule for Non-Member Users

Cassingham said this Budget has been recommended for adoption by the Executive Board. Total Budget is \$1,888,142 which represents a 4.2% increase over prior year. Continuation of the Zero-Rate Fee Schedule for Non-Member users is recommended to permit the Non-Member Users Subcommittee to present its recommendations at the July meetings of the Executive and Governing Boards. Pearce noted much work had been done by the Subcommittee and they are nearly ready to present their findings. Van Doren asked who was on the Subcommittee. Cassingham said Pearce, Doyle, Cusimano and Gray were appointed by the Executive Board to serve on the Subcommittee. Pearce called for public comment and there was none.

M/S/P Tubbs/Mills to approve the Proposed FY16-17 Operating Budget as presented and continue the Zero-Rate Fee Schedule for Non-Member Users pending presentation of the Subcommittee's Recommendations on same.

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

3. Proposed FY16-17 MERA New Project Financing and Revenue Bonds Budgets

Cassingham reviewed the New Project Financing 2007 Citizen Bank Note Budget which provided additional funds for current System construction. Years ago, the Governing Board established the note payment of \$225,000. The FY16-17 Annual Debt Service for the 2010 Refunding Revenue Bonds is \$2,124,625 for which there is no discretion. She noted the member payment schedules which are attached to her report. Pearce said both Budgets were recommended by the Executive Board. He asked for public comment and there was none.

M/S/P Gaffney/Tubbs to approve the Proposed FY16-17 New Project Financing – 2007 Bank Note and MERA 2010 Refunding Revenue Bonds Budgets.

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

4. Proposed Resolution Adopting the FY16-17 Operating, New Project Financing and 2010 Revenue Bonds and Reserves Budgets

Cassingham presented the Resolution adopting the various Budgets. She noted the detailed schedules attached to the Resolution citing projected fund balances for 7/1/16 and proposed expenditures from each. No capital projects are proposed for Funds 70032 and 70036. The Emergency Fund reflects the minimum fund balance and interest on same. Fund 70038's projected fund balance on 7/1/16 is \$1.9M to be supplemented by parcel taxes collected in FY16-17.

Cassingham referenced the various new line item expenses associated with the Next Gen Project. RGS costs includes a portion of her time in support of the Project, along with the Deputy Executive Officer and Administrative Assistant. DPW services for Next Gen Project implementation are budgeted in the amount of \$100,000 along with the contract for the Project Management consultant estimated at \$680,000. Also budgeted is the Dollar Hill Tower reinforcement project with the City of San Rafael at \$30,000. Pearce added these Budgets have been recommended by the Executive Board. He asked for public comment and there was none.

M/S/P Kelly/Tubbs to approve the Proposed FY16-17 Operating, New Project Financing and 2010 Revenue Bonds, and Reserves Budgets, as presented.

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

With the actions taken, Pearce closed the Public Hearings.

E. Operations Reports (Echols)

Echols said today is the deadline for interested vendors to confirm their attendance and names of attendees for the pre-bid conference on the RFP and site visits. At least 12 are planning on attending, including Harris, Motorola, Nokia and Pyramid.

Echols announced Nelson's retirement effective May 25. She will be greatly missed and her contributions have been significant to MERA first Gen and Next Gen implementation over the years. He wanted to personally commend her for all she has done. Applause followed.

Pearce presented Nelson with an orchid plant in recognition of her service and all her contributions to MERA's day-to-day operations and Next Gen. He wished her well in her retirement.

F. Open Time for Items Not on Agenda

Pearce mentioned the May 11 Marin IJ article on MERA's Next Gen Project coverage issues and the inaccurate costs in it. He commended the Board for its diligence and stewardship of the Project to date and for keeping our commitments to our members in its implementation. It will be a fantastic system.

Kelly asked if a response was being planned. Pearce said not at this time but we will continue with our public outreach on the Project's progress and do all we have promised. Kelly said if this continues, we should address it. Pearce said one of the coverage issues is his area so he will continue to advocate accordingly. It was agreed this would be monitored.

Echols said Kinsey is seeking a follow-up report on this matter from him. Hymel said Kinsey wants to make sure MERA is being mindful of coverage issues. Echols said we will know more on this once proposals are in hand.

G. Adjournment

The meeting was adjourned at 3:58 p.m.

Respectfully submitted,

Maureen Cassingham
Executive Officer and Secretary

**NOTE: THE JUNE 22, 2016 MEETING HAS BEEN CANCELED
DUE TO LACK OF AGENDA ITEMS.**