

MARIN EMERGENCY RADIO AUTHORITY

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DRAFT: 4/12/17

Measure A Citizens Oversight Committee

Minutes of March 15, 2017 Regular Meeting

Call to Order

The meeting was called to order by Vice Chair Greenberg at 4:01 p.m. on March 15, 2017 at the Marin Civic Center CAO Conference Room 315, San Rafael, California 94903.

Committee Members Present:

District #1	Elizabeth Greenberg
District #2	Bill Levinson
District #4	Larry Luckham
District #5	Paul Herrerias

Committee Members Absent:

District #3	Chuck Reite
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Staff Present:

MERA Executive Officer	Maureen Cassingham
MERA Deputy Executive Officer-Next Gen Project	Dave Jeffries

A. Minutes of December 9, 2016 Citizens Oversight Committee Special Meeting

Luckham noted that he was listed as present when he was absent on December 9, 2016.

M/S/P Levinson/Luckham to approve the minutes as revised.

AYES: All
NAYS: None
ABSTENTIONS: None
Motion carried

B. Update on Status of Next Gen System Project – (Jeffries)

Jeffries distributed the draft comprehensive Next Gen Project Budget for discussion after his Project status report. He noted the lengthy process of negotiations with Motorola culminating with MERA Governing Board and Board of Supervisors approvals of the contract on February 22 and March 7, respectively. The next major step is the kickoff meeting between MERA and County staff and Motorola, which commences the beginning of detailed design review.

Jeffries said the nearly 1,000-page proposal attached to the contract will be adjusted as we go forward with design review. Open items include Fire Station Alerting (FSA) and GPS Tracking Technologies. Two vendors are being considered for FSA. Recommendations on these matters will be presented to the Governing Board at their April meeting. The preidentified change order for FSA has been cost estimated. The GPS radio feature that was recently requested by the Governing Board is being vetted with an estimated cost of \$450,000. Feedback on this from the Police Chiefs found support from only 1 agency out of the 13 for MERA GPS Tracking. Newer solutions are available for their consideration. He will meet with the Fire Chiefs tomorrow.

Greenberg asked about the second vendor for FSA. Jeffries said Dispatch had concerns about the first vendor's operations, which led to review of a second vendor. Vendor review also included reference checks with other users using the same version of the CAD System for more on-point comparison. Luckham said FSA is very important to fire personnel. Their concern is over-alerting beyond the affected jurisdiction. Jeffries said with the latest technologies, the primary notification is set up through IP, with internet backup. Other features are now available for the different dispatches to choose from at their own expense. He said with the extended warranty, which coincides with the base System, the cost estimate for FSA is \$1.3M to \$1.4M.

Jeffries reviewed the very preliminary Project draft budget for use of Measure A Funds. There are other Project costs not covered by Measure A that will be funded using other resources. The Measure will generate about \$72M over 20 years. The draft Budget projects overall Next Gen costs to be \$69M. Line 1 of the Budget reflects Motorola base System costs. Line 2 reflects System Upgrade Agreement (SUA) cost, which will extend System life through Years 4-15. He reminded the Committee that Project financing is from Revenue Bond proceeds and pay-as-you-go with the remaining parcel taxes.

Jeffries noted the Budget estimates for FSA, site acquisition and site construction. Levinson asked if eminent domain would be used for site acquisition. Jeffries said most of the sites would require lease agreements. Cassingham added that sites would not be acquired but leased from owners in the business of renting space.

Jeffries reviewed Lines 6 and 7, which reflect fixed contracts for Federal Engineering (FE) services. Phase I of their services included the vendor RFP, proposal review and final proposal and contract development inputs. Phase II includes a full-time on-site Project Manager who will oversee the Project through construction with FE senior operations staff guidance.

Jeffries recapped the Marin DPW staff and non-staff line items, noting County staff time was under review, given the extent of services being performed by FE. RGS Line 10 represents MERA contract staff services in support of the Project through June 2019. It includes Jeffries' time, a portion of Cassingham's time and Administrative Assistant Anderson's time. The cost estimate for Project-related Legal Services is \$225,000. The Fees line item includes audits and parcel tax administration. Indie Politics Consulting Services, which are concluded, are known costs for Project outreach and public education.

Jeffries referenced the Next Gen Dollar Hill Site costs at \$30,000. The Contingency line item is based on 15% of Items 1-14. The Future Longevity line item reflects the Governing Board's intention to identify other costs associated with extending System life and adding System enhancements. Luckham asked what is included in the SUA. Jeffries said it reflected mountain top upgrades versus user equipment. It includes biannual upgrades of infrastructure. At 15 years, the SUA provides an up-to-date System.

Levinson asked if Line Items 1-16 added up to \$48M. Jeffries said Line Items 2 and 16 are not included in the Near-Term Total. The \$48M reflects what is expected to be expended from Project start until System completion in mid-2019. Levinson said Project cost flexibility is really represented in Lines 15 and 16. Jeffries said costs will be better known by this summer at the end of detailed design review. In response to Levinson regarding Line 16, he said more would be likely known about those costs in Year 13.

Levinson asked about the use of Measure A Funds as specified in the Tax Ordinance. Jeffries clarified that System operating and maintenance costs are to be borne by the member agencies. Use of the parcel tax is for the Project itself and extending its useful life for as long as possible. Levinson sought to clarify that we haven't over-collected for the Project. He suggested a 25% Contingency for a Project that has potentially other unknown life cycle costs.

Luckham said it is important to clearly articulate the use of the Funds. He suggested Line Item 16 be retitled to Year 16 and beyond upgrades to extend System life. He added that as more is known about the Project through design into construction, contingency should continue to go down. Jeffries said as we get into design, it is also possible that more sites may be needed.

Levinson said there is broad discretion at this point with Project line items. He suggested some

changes to line item terminology. It was agreed that better terminology for Line Item 2 would be retitled “Extended Warranty and SUA II costs.” Greenberg suggested a revision to Line Item 16, removing the word “optional” since standards can change and “optional” may become required. Levinson noted the need to stay within the authority granted by the Measure such as System replacement.

In response to Herrerias, it was Committee consensus to retain Line Item 16. Greenberg supported its retention because Project costs still need to be fleshed out. Herrerias asked for clarification about Measure A being for a \$40M project. Jeffries responded that this was an original Project estimate that did not include, among other things, financing costs over time. Herrerias asked if taxpayers could be saved money by not spending it all. Jeffries said this may be possible, but not until all Project costs are known. The Governing Board’s intention has been to prolong Next Gen’s useful life for as long as possible. This Budget is responsive by incorporating a line item for changing technologies over the next 15 years.

Luckham said he is fine with the goal of the draft Budget document and numbers given where we are today. Levinson noted an increase in the percentage of contingency to 20% would be appropriate. Greenberg said site costs should also be increased, possibly even doubled given the unknowns of acquisition and construction at this time. Herrerias noted we should not try to justify the expenditure of tax dollars. Levinson added that we need the maximum flexibility at this stage to change all Budget numbers as we go along. Jeffries said, given this suggestion, a disclaimer should be added to the draft that this is a work in progress, subject to change. Herrerias and Greenberg concurred.

Herrerias said the intention should be to be transparent with the taxpayers’ dollars and maximize the ROI. Luckham said any budget can be reviewed from varying perspectives so we should be prepared to respond accordingly. Herrerias suggested the Project Budget might be presented in three scenarios, bare bones in short term, medium term and another with the sites we want and built-in longevity. Cassingham said a stripped-down Project is not an option.

Jeffries reviewed the Motorola Contract line items, which had been presented earlier, with Herrerias, noting they are locked in for a total of \$34M. The \$10M cost for System Upgrade Agreement to extend useful life is paid annually Years 4-15. He said this is how the Finance Committee will consider this line item for cash flow purposes. Jeffries reviewed with Herrerias Line Item 3 and another possible change order for GPS. The March 24 Kick-Off meeting for detailed design review will provide additional cost clarity through final design. The draft Budget is intended to identify and refine total Project costs over its useful life.

Levinson added it is always useful to provide a frame for the use of the document, which is a working document. It should reflect the language of the Measure along with Contract and proposal documents. Cassingham confirmed with Levinson that Bond Counsel has weighed in on Measure A uses for budgeting.

Jeffries said non-safety radio costs cannot be included in the Measure A Project Budget but Bond Counsel has advised all the infrastructure can be included. Levinson said there could be

consideration of other future users for capacity expansion. Jeffries said another category could be developed for geographic redundancies should locations be heavily damaged or inoperable due to a disaster. In response to Jeffries regarding possible grants for these redundancies, Greenberg supported the inclusion of redundancies given the assurance of Measure A funding for same.

Jeffries explained the 6/2019 date references in Lines 10, 11 and 12, noting Next Gen will be fully operational at that point and may not require separate staff support, apart from MERA general operations. Some of the line item costs like Parcel Tax Administration will continue to be paid by Measure A. Levinson suggested increasing the Legal Services line item due to future unknown representation needs. Greenberg concurred given environmental issues that can arise with sitings. Levinson also suggested adding more funding for RGS staffing due to potential extensions of the Project timeline and other unknowns. Jeffries responded that those associated tasks may fall to DPW or FE. He confirmed that the amount of the RGS line item should adequately cover current contract staff.

Levinson and Greenberg concurred that line items can be reduced if not needed. Herrerias asked if the current base System can be surplusd when no longer in use. Cassingham said most of the current System is in effect being reused. Jeffries added that some facilities and towers would be repurposed. Portables would be replaced with some possibility of resale value. Herrerias added that proceeds could be used to supplement Project costs. Greenberg clarified that new technologies could limit the value of surplusd items except for reuse of parts. Herrerias added this could permit a reduction in need for Measure A funding.

Jeffries asked Cassingham about funding sources for non-safety radios. She said the 2010 Bonds Surplus Funds could be used for this purpose along with other MERA Reserves. \$2M+ will be available to MERA after debt service is paid in August 2017. Jeffries added there was no public comment at the Governing Board or Board of Supervisors meetings when the Motorola Contract was approved. Herrerias added this was notable given only 1 bid. Levinson commented that the bid was well within budget so that may be the reason. Jeffries said there were 3 press inquiries after press releases.

C. Review of Measure A Board of Supervisors' Resolution and Tax Ordinances

Cassingham said the Chair had requested this item be agendized. She noted Section 1 of the Ordinance is responsive to Levinson's earlier question about what the parcel tax can be used for with the Next Gen Project. She also appended the Committee's Bylaws to her staff report for any questions or comments.

Levinson noted the one Bylaws change to date permitting the establishment of meeting date and time by resolution. There was no further discussion of these items.

D. District 3 and 4 Citizens Oversight Committee Appointment Confirmation

Cassingham said this report was informational noting Governing Board approval of Reite's and Luckham's requests for additional 4-year terms. These members are now on unlimited 4-year

terms.

E. Review of Fund 70038 FY16-17 Next Gen Project Revenues and Expenditures

Cassingham reviewed the Fund 70038 P&L detail from July 1, 2016 through February 2017. She presented the hard copy of invoices paid with Measure A taxes. Regarding Measure A revenues, she noted \$6,293 in unpaid utility-owned parcels. NBS will re-contact non-payers by certified mail. Greenberg asked why they are not paying. Cassingham said these utilities have been unresponsive. Some of the companies are Leonardi Properties, Southern Pacific Transportation Company and Northwestern Pacific Railroad. She said she would seek MERA General Counsel's advice on other steps to collect.

Cassingham reviewed the standard expense categories of Contract Services, Audit Services, County Tax Collections, Miscellaneous and Capital Outlay. In response to Herrerias, Cassingham said the first two Journal entries under 6000 Contract Services were accrued for FY15-16. Herrerias noted these were reversed out at the top of Page 2. Cassingham added RGS is paid monthly. Herrerias asked about the varying amounts. Jeffries said this reflects the varying number of hours worked by him and Anderson.

Levinson asked when larger billings will commence for the Project. Cassingham said a 10% payment will be made to Motorola after the Kick-Off meeting on March 24, which will require MERA to pay the County's invoice for same within 30 days of receipt. Cassingham continued her review of NBS and Marinfo invoices for tax administration and Project website updates. Miscellaneous expenses included Next Gen site visit reimbursements. In response to Levinson, Jeffries said site visit reimbursement guidelines reflect the staff members' agency travel and per diem policies. Both visits were to Motorola current customers, City of El Paso and the Silicon Valley Regional Interoperability Authority. These visits, phone reference checks and the Puget Sound Agreement with Motorola greatly contributed to the development of the customization of the Agreement with Motorola.

Herrerias noted the cash basis for the P&L and asked if reports were also published on an accrual basis. Cassingham said these reports are not published publicly. These P&Ls are the only reports prepared for the Committee. Herrerias asked about the notations of General Journal entries which are typically not shown in cash basis reports. He asked for accrual financials that present APs and ARs.

Herrerias asked about the Capital Outlay check to DPW for NGP Tower retrofit. Cassingham said this is for the Dollar Hill Tower retrofit cost share with the City of San Rafael. The City needed to add traffic signal coordination equipment associated with SMART to MERA's Dollar Hill Tower, which could not be accommodated without structural enhancement. She added that structural enhancement would be needed for Next Gen Project equipment and cost sharing saved considerable expense. The budget for the Project was \$30,000, which came in under budget at \$22,000.

Herrerias asked for the invoices for the NGRSIA DPW costs. He asked if we could add the

payment period to the memo fields. He also requested that the P&Ls be presented in landscape to see the entire memo fields. Jeffries noted that MERA contracts with the County for DPW services for the Next Gen Project. Invoices for same were passed around for Committee review.

In response to Herrerias, Cassingham said DPW billings are either monthly or quarterly. It was the consensus of the Committee to accept the P&L Report for July 1, 2016 through February 28, 2017.

F. Other Information Items

Jeffries mentioned upcoming Next Gen Project press releases that include hyperlinks to key Project documents posted on MERA's website. He also noted 3 upcoming senior exemption Media Advisories.

G. Open Time for Items Not on Agenda

None.

H. Adjournment

The meeting was adjourned at 5:22 p.m. Cassingham confirmed, based on likely future Committee business, another meeting should be scheduled in June. The Motorola Contract, which is now in place, will have a progress payment for Committee review. After some discussion, Cassingham will confirm the next meeting on June 21, 2017 in a room to be determined at the Marin Civic Center.

Respectfully submitted,

Maureen Cassingham
Executive Officer and Secretary