

MARIN EMERGENCY RADIO AUTHORITY

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MEMORANDUM

DATE: May 19, 2010
TO: MERA Board of Directors
FROM: Maureen Cassingham, Executive Officer
SUBJECT: AGENDA ITEM **C-2**: PROPOSED FY10-11 MERA OTHER BUDGETS
AND RESERVES

Recommended Action: As recommended by the Executive Committee on May 12, 2010, approve the proposed FY10-11 budgets for the MERA 2010 Refunding Revenue Bonds Debt Service (NOTE: See **revised budget below**) and the New Project Financing – 2007 Bank Note, use of Reserves as presented in the MERA Reserves Fund Chart (dated 5-12-10) and adopt the combined budgets and reserves resolution.

Background: These are areas of funding that are outside the Operating Budget. The first one is the debt service (2010 Refunding Revenue Bonds) and there is no discretion. The proposed budget has been revised downward to \$1,848,750 for this fiscal year based on confirmation by the Trustee and Bond Counsel. A copy of the Bond Payment table for FY10-11 is attached, which states each Member Agency's payment from the Aggregate Service Payment schedule. These payments will be invoiced by Bond Trustee Bank of New York Mellon Global Trust (BNY) in June. BNY will also provide members with the revised annual debt service schedule for the duration of the 2010 Bond Payments.

The second budget is for the 2007 Citizen Bank Loan Note for supplemental capital borrowing. Details about each member's contribution are presented in the attachment to this memo.

2010 Bond Fund 70035 (Payment of annual debt service for 2010 Refinancing Revenue Bonds)

Final Budget FY 2009-10	Proposed Budget FY 2010-11	REVISED Proposed Budget FY 2010-11
\$2,125,963	\$2,126,963	\$1,848,750

Project Fund 70032 (New Project Financing – 2007 Bank Note):

Final Budget FY 2009-10	Proposed Budget FY 2010-11
\$225,000	\$225,000

You may recall that the MERA Board clarified at their January 14, 2010, meeting, that members had been assessed \$225,000 per year for the 2007 Bank Note versus the \$208,499 actual note amount. The difference has been accounted for in the Bank Note Fund and, as noted above, allocated by the Board for capital projects. The City of Novato had inquired about assessing members for the actual bank note amount. The Executive Committee recommends no change in the \$225,000 assessment and that the difference of \$16,501 continue to be made available for capital projects.

Upon completion of the FY 09-10 audit and verification of the Operating Fund balance, those funds will be transferred per Board policy to Replacement Fund 70036.

Attached is an updated MERA Reserve Funds Chart which includes prior Board approved expenses for the Forbes Demolition Project and Strategic Planning Facilitation and Technical Services from the Replacement Fund and the following proposed additional expenses reported earlier:

\$7,500	CBG Communications, Inc. (Strategic Planning)
5,901	AT&T Mobility (Bodega Road Maintenance)
3,502	Comfort Air Mechanical Systems (Prime Site AC Compressor)
8,640	County DPW (Detailed Cost Estimate of Prime Site Relocation)
21,000	Leete Generators (Catalytic Converters for - Tiburon \$9K, Dollar Hill \$4K Pt. Reyes \$4K Forbes Reservoir \$4K

ATTACHMENTS: Proposed FY10-11 Member Agency Debt Service Contributions –
Fund 70035 2010 Refunding Revenue Bonds
Proposed FY10-11 Member Agency Contributions –
Fund 70032 New Project Financing – 2007 Bank Note
Budgets and Reserves Resolution for Agenda Items B-3 and B-4
MERA Chart of Reserve Funds – 5/12/10