

# MARIN EMERGENCY RADIO AUTHORITY

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**DRAFT: 4/17/14**

## **MERA Finance Committee** **Minutes of February 18, 2014 Meeting**

### A. Call to Order

The meeting was called to order by Chair Hymel at 9:06 a.m. on February 18, 2014 in CAO Conference Room 315 at the Marin Civic Center.

#### Committee Members Present:

County of Marin	Matthew Hymel
Town of Ross	Tom Gaffney
City of Novato	Jim Berg
Tiburon Fire Protection District	Richard Pearce

#### Committee Members Absent:

Marin County Sheriff	Robert Doyle
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#### Staff Present:

MERA Executive Officer	Maureen Cassingham
MERA Operations Officer	Craig Tackabery

#### Guests Present:

Dan Mullen	Indie Politics
Terry Price	Price Campaign Solutions

### B. Minutes from December 4, 2013 Finance Committee Meeting

*M/S/P Pearce/Berg to approve the minutes from December 4, 2013 Finance Committee Meeting as presented.*

AYES: ALL  
NAYS: NONE  
Motion carried.

### C. Proposed Preliminary FY14-15 Operating, New Project Financing and Revenue Bonds Budgets (Cassingham)

Cassingham presented an overview of the Preliminary FY14-15 Budgets noting two line-item variances from prior year for the County Communication Engineer and Legal Services. The Preliminary Operating Budget of \$1,707,654 reflects a 3.4% increase over FY13-14. She said the Project Note and Bond Budgets are established by the Governing Board and Bond Trustee, respectively.

Hymel asked Tackabery for a history of Chuck's contract. Tackabery said the contract amount for Chuck's services has been flat for a decade. Chuck is now a County employee due to the change in IRS regulations and the increased cost reflects benefits where none were included before. Hymel said County benefits are about 60% and his salary reflects Senior Engineer annual compensation level of \$121,000.

Berg inquired about the \$31,000 budgeted for training. Tackabery said this is a chargeback for County Staff training services for Members and the training of trainers. Berg asked for background on the budgeted amount. Hymel asked Tackabery to develop a 5-year history of the training line item. Pearce noted many trainers are leaving or have left which affects costs.

*M/S/P Gaffney/Pearce to recommend the Proposed Preliminary FY14-15 Budgets to the Executive Board for Operating, New Project Financing and Revenue Bonds as presented.*

AYES: ALL  
NAYS: NONE  
Motion carried.

D. Discussion of Other Funding Sources – Next Gen Non-Police/Fire Services Project Costs (Cassingham)

Cassingham said her staff report summarized the possible funding sources for the estimated \$2M non-police/fire costs for the Next Gen System. She noted that the following agenda item on ancillary use required by public safety from bond proceeds was also explored by Gaffney with Bond Counsel as another possible funding source. Cassingham will pursue any other suggestions.

Hymel confirmed the Bond Reserve is about \$1.8M and parcel tax reimbursement of the Replacement Fund is estimated at \$800,000+. Cassingham said MERA could also finance non-police/fire project costs with capital appreciation bonds. Gaffney said this would require extending current debt service by 3-5 years. Hymel said we should keep these sources as options and decide at the time which is the best for MERA.

Gaffney suggested combining this Agenda Item with Item E: Review of Ancillary Use – Next Gen System Bonds. He said our first choice is to fund from the parcel tax followed by the use of the Bond Reserve and the reimbursed Replacement Fund. Bond Counsel has opined there is no provision under G.C. 53978 to include other than police and fire project costs. He added that other financing he has worked on permits coverage for other costs up to 10%. However, Bond Counsel has stated this is not permissible under this Section. He further stated that costs for other services that police and fire depend on to provide for public safety like water and streets should be eligible. Gaffney felt we could make a case for these costs during the validation process for the use of parcel charges before bonds are sold. Hymel said this would be another option for us to consider. Price said Bond Counsel should clarify whether language about ancillary use should be included in the ballot measure. Berg said the appropriate terminology is "critical use" vs ancillary.

Price asked for clarification about the timing of the bid process in relation to the validation. Gaffney said a bid is not necessary before the validation action. Bids would be valid for say 60 days followed by BOS acceptance of the bond bid and thereafter another meeting to award the construction contract. Price clarified that the bid process would include non-safety radios. Gaffney said he hopes to phase the sale of bonds.

Hymel summarized by saying we should continue to explore other funding sources and we are aware of and will comply with G.C. 53978 and post-election validation process. Berg inquired about the \$2.1M and whether it included non-police/fire, non-Member radios, and what that dollar amount was. Tackabery will check on this. Hymel clarified that it has been discussed that non-Member radios would not be paid for with MERA funds. If non-Member radios are included in the \$2.1, the amount to be funded would be reduced. Gaffney suggested that MERA could sell radios to non-Members to partially offset these costs. Hymel said this is consistent with current policy where non-Members pay for their radios. Cassingham was asked to email Tackabery's radio information to the Committee.

Pearce confirmed with Gaffney that the validation will assure our compliance and it cannot be challenged thereafter. Berg said MERA Reserves and reimbursement belong to the Members and they may choose to use them to offset Member costs versus advancing funding for non-Member radios. At some point, all this must be decided by the Members. Hymel said there is a menu of five possible options to fund these various costs not permitted under the proposed parcel tax, subject to the approval of the Governing Board after a successful election. Price suggested a review of this by the Project Oversight Committee as part of the outreach process. Gaffney added that the validation will clarify what is public safety related and can be funded with the parcel tax. Pearce recalled another tax measure that included street lighting and roads costs as critical to public safety response.

E. Review of Ancillary Use – Next Gen System Bonds

This item was discussed under Agenda Item D.

F. Other Information Items

None.

G. Open Time for Items Not on Agenda

None.

H. Adjournment

The meeting was adjourned at 9:42 a.m.

Respectfully submitted by,

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Maureen Cassingham  
MERA Executive Officer