

MARIN EMERGENCY RADIO AUTHORITY

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DATE: February 17, 2021

TO: MERA Finance Committee

FROM: Dave Jeffries, Deputy Executive Officer for the Next Gen Project

SUBJECT: AGENDA ITEM C: Review of Governing Board Approved Revisions to Next Gen Project Budget Line Items

Recommended Action: Review and recommend strategies for funding.

Introduction

At the December Governing Board meeting (See GB Report B-2 – attached) the Governing Board was updated on several budget related areas, including the need to update the Budget Summary, updated cost projections and budget transfers. The recommendations, listed below, were all approved by the Governing Board at that time.

This report is focused on two issues, a re-drafting of the Budget Summary and the Measure A related MERA Project funding sources. Cash Flow projections are discussed in this month's FC Report #C and the funding on Non-Public Safety radios is discussed under FC Report #D.

Discussion

The recommendations made to and accepted by the Governing Board included:

1) Budget Summary Changes

- a) Re-title Line Item #2 from Vendor Radios to Vendor Radios – Public Safety.
- b) Create a separate table to track Vendor Radios – Non-Public Safety and funding from the Replacement Account.
- c) Re-title Line Item #3 – Site Acquisition/Construction/CEQA to CEQA, retaining \$904,299 in budgeted funds.
- d) Establish a new Line Item #4 – Construction, using \$4,395,701, the remainder from the existing Line Item #3.
- e) Renumber existing Line Items #4-14 to #5-15.

2) Budget Transfers

- a) Move \$964,432.60 from Vendor Radios (Line Item #2) to the new Construction Line Item #4.
- b) Move \$4,000,000.00 from Budgeted Project Contingency to the new Construction Line Item #4.

c) Move \$1,114,304.40 from Unappropriated Project Reserve to the new Construction Line Item #4.

3) Instruct the Finance Committee to meet to review all updated cost items and evaluate cash flow impacts prior to the next Governing Board meeting, including funding of the Non-Public Safety Radios.

In developing the Project Budget Summary below, Executive Officer Cassingham and I went back to the base documents and recalculated budgets, expenditures and made additional changes to the Budget Summary format to simplify review and understanding of the budget moving forward.

Measure A Funding Sources

A key aspect to this is the available funding sources. The latest update is shown below.

MERA Measure A Funding:

Source	As of:	Annual	Cumulative
1. Measure A Parcel Tax	N/A	\$3,550,000	\$71,000,000
2. Interest: Measure A Taxes - County of Marin	12/31/2020		\$425,870
3. Measure A Utility Parcel Tax	12/31/2020		\$49,764
4. Interest: 2016 Bonds - GIC	12/31/2020		\$2,817,063
		Total:	\$74,292,697

It should be noted that Source #1 – Measure A Property Tax shows the combined total funding over the 20-year life of the Parcel Tax measure and that not all of those funds are currently available. In addition, we anticipate some additional interest income, but at a far lesser rate than before based on the likely expenses over the next two years.

Current Available Funds

MERA Fund # 70038 and 70039	
Date:	Balance
1/31/2021	\$31,000,000

Fund #70038 receives \$1,128,000 annually in two installments each year.

Revised MERA Budget Summary

The new MERA Budget Summary has been configured into four basic sections as shown below, further descriptions of the sections are listed after the Budget Summary.

MERA: Budget Summary

Last Update:

2/16/2021

	Line-Item Descriptions of Items Funded Under Measure A Funds	Project Budget 2/17/2021	Paid & Payables thru 12/31/2020	% of Funds Expended
1	Active Line Items (2021-2024)			
1-A	Vendor Contract	\$18,578,230	\$3,430,724	18%
1-B	Vendor Contract Change Orders	\$7,791,234	\$564,648	7%
1-C	Vendor Radios - Public Safety	\$8,025,633	\$4,360,144	54%
1-D	Construction (NEW - eff 07/01/20)	\$10,474,438	\$92,047	1%
1-E	FE Project Management - Phase II	\$2,134,730	\$1,340,410	63%
1-F	AECOM Consulting Task 2 (Const.)	\$2,430,000	\$398,531	16%
1-G	RGS MERA Staffing	\$1,005,000	\$839,297	84%
1-H	Marin County Real Estate Services	\$50,000	\$25,000	50%
1-I	MERA Legal	\$400,000	\$215,761	54%
1-J	Admin Fees	\$3,200,000	\$736,782	23%
1-K	Financing Bond Interest	\$10,366,480	\$3,293,480	32%
	Sub Total	\$64,455,745	\$15,296,824	24%
2	Closed Costs (Pre 2021)			
2-A	CEQA	\$904,299	\$905,799	100%
2-B	AECOM CDR Consulting Services	\$192,792	\$201,853	105%
2-C	Public Outreach and Awareness	\$397,000	\$398,999	101%
2-D	Other Capital Costs	\$30,000	\$28,966	97%
2-E	DPW Project Implementation	\$2,000,000	\$918,930	46%
2-F	Marin DPW	\$25,000	\$11,640	47%
2-G	FE Consultants - Phase I	\$355,456	\$305,456	86%
	Sub Total	\$3,904,547	\$2,771,643	70.99%
3	Future Costs (Post 2025)			
3-A	System Upgrade Agreement (SUA)	\$8,233,627	\$0	0%
3-B	SUA from Contract Change Orders	\$1,653,375	\$0	0%
3-C	Financing - Bond Interest	\$7,073,000	\$0	0%
	Sub Total	\$9,887,002	\$0	0%
	Total Project Budget:	\$76,593,919	\$18,068,467	24%
4	Contingencies and Reserves			
4-A	Budgeted Project Contingency	\$0	% of Project Total	0%
4-B	Unappropriated Project Reserve	-\$2,301,222	% of Project Total	-3%
	Project Total:	\$74,292,697		

1) Active Line Items (2021-2024): To address those items that will be in use and changing from now until the end of the Next Gen Project Implementation. This includes portions of the Motorola costs (System and Field user equipment), construction costs (Including estimated

contingencies), consultants, and project staff, etc.) Currently, this section is further divided into 11 sub sections.

2) Closed Costs (Pre 2021): These are cost areas that are completed or have concluded and are anticipated to remain closed. Therefore, no further changes are anticipated here, other than reconciling the excess funds from this section into the overall budget.

3) Future Costs (Post 2024): This addresses three items, the first two are the Service Upgrade Agreement (SUA) costs from both the original Motorola Contract and the additional SUA costs resulting from the Contract Change Orders. These are payable in equal and annual installments from year 4-15 after the Next Gen System is operational. The third area is Financing – Bond Interest that will continue after the Next Gen Project implementation is completed.

4) Contingencies and Reserves: This addresses the funds available to form a contingency and/or unallocated funds.

Attachments

B-1 – MERA Governing Board Report B-2, 12/09/2020 Meeting