

MARIN EMERGENCY RADIO AUTHORITY

c/o Novato Fire Protection District
95 Rowland Way, Novato, CA 94945
PHONE: (415) 878-2690 FAX: (415) 878-2660

EXECUTIVE COMMITTEE

MINUTES OF DECEMBER 9, 2009 SPECIAL MEETING

Call to Order

The meeting was called to order by President Kinsey at 2:07 p.m. at the Novato Fire Protection District Administration Office, Heritage Conference Room, 95 Rowland Way, Novato, CA.

Committee Members (or Alternates) Present:

County of Marin	Steve Kinsey
County of Marin Sheriff	Robert Doyle
City of San Rafael	Ken Nordhoff
City of Novato	Joe Kreins
Novato Fire Protection District	Marc Revere
Fire Districts: At-Large (remaining FD's)	Jim Irving
Ross Valley Agencies	Michael Rock
Southern Marin Cities/Towns	Anne Montgomery

Committee Members Absent:

None

Nonvoting Members:

Marin County Fire Chiefs' Association	Richard Pearce
Marin County Police Chiefs' Association	John Rohrbacher
Marin Public Works Association	David Rzepinski

Staff Present:

MERA Executive Officer	Maureen Cassingham
County Communications Engineer	Richard Chuck
General Counsel	Jim Karpiak

Guests:

MERA Finance Committee Member	Tom Gaffney
-------------------------------	-------------

A Consent Calendar

All matters on the Consent Calendar are to be approved with one motion unless a member of the Committee or the public requests that separate action be taken on a specific item.

1. Minutes from the November 12, 2009, Executive Committee Regular Meeting.
2. FY 08-09 Audited Financial Statements and Auditors' Report – Maher Accountancy, John Maher

Rzepinski noted the minutes from November 12, 2009, should reflect that he represents the Marin County Transit District on the MERA Board.

M/S/P Kreins/Revere to approve the Minutes from November 12, 2009 Executive Committee Regular Meeting as revised.

AYES: ALL
NAYS: NONE

Motion carried.

John Maher, Maher Accountancy, was introduced and presented a summary of MERA's FY 08-09 Audited Financial Statements. Maher gave special thanks to Dan Hom, NFPD Finance Director, for his exceptional work in closing MERA's books, doing the adjustments on his own with no correcting journal entries. This is a first in his long experience. MERA received a clean opinion with no exceptions. He noted a decrease of \$260,000 in net assets and over \$1M a year depreciation allowance. Revenues decreased due to a planned reduction in member contributions to Operating and the decline in interest rates. MERA experienced an increase in cash of \$400,000, noting things are going well. The General Fund variances from budget were positive, some \$233,000 to the good. Overall, there were no accounting issues, questions or adjustments with this audit. Cassingham echoed Maher's sentiments about Hom's performance and support, citing them as above and beyond the call of duty. She likewise thanked Maher for all his ongoing assistance and advice on MERA's financial questions.

M/S/P Nordhoff/Irving to recommend Board acceptance of MERA's Audited Financial Statements and Auditors' Report for FY 08-09 as presented.

B Report from MERA Subcommittee on Costs and Options for MERA's Relocation to the Proposed County Emergency Operations Facility (EOF)

Cassingham briefed the Committee on the December 2 meeting of the MERA Subcommittee (Kreins, Gray and Irving) and County Staff.

Topics included the need for a new County EOF, project overview, value added to MERA to relocate and replace equipment in synch with the County's timeline for occupancy in Fall 2013, risks and costs of staying in the Civic Center and connecting to the new EOF, feasibility of moving existing equipment and additional MERA borrowing with refunding to pay for project costs.

Kreins said MERA can stay in the Civic Center but it would cost an estimated \$500,000 for the microwave link to connect the prime site to the new EOF. As for the timing of the replacement of MERA's equipment, not enough information is available at this time. Equipment replacement might result in the need for system upgrades which could increase MERA's estimated costs from \$4M to \$6M. Chuck said the equipment at the prime site cannot be moved due to the downtime required to relocate it. Kreins said there is no compelling timeline for MERA to have to decide about this project for at least six months. He noted we need a detailed cost breakdown for the move, a project timeline, lifespans of current and new equipment, and timing of equipment acquisition given the four-year project schedule.

Hymel said the timing of the discussion of this project was accelerated because he knew MERA was in discussions about refunding its 1999 bonds. Now might be the time to borrow for this and other projects. Doyle noted the lifespan of the current equipment is ten years, which was confirmed by Chuck if it was left in place. Doyle noted the six-to-nine months' timeline to make a final decision coincides with the environmental review period. Consensus discussion followed about the improved seismic safety of the new facility and therefore greater protection of the prime site if relocated there. Chuck said the \$4M estimate for the new equipment for the prime site reflects the latest technology and work would need to be done at each site to interface with the new computers at the prime site. This project plays into MERA's strategic planning efforts although that is just getting started.

Cassingham said the strategic plan should be completed in August 2010 and it will take into account not only necessary capital projects but system replacement at some point and identifying the fund to undertake these improvements. Kreins said while general project costs were discussed at the meeting, there was no mention of planning, space, utilities and other costs. Kinsey inquired about phasing the relocation which would permit more time to finance the move. It was noted that some upfront expense would be required; the amount would have to be determined.

Gaffney said he and Cassingham had a conference call with Hymel on ways to leave the door open for additional borrowing opportunities. Clearly we do not have the costs or know what we are financing right now. Gaffney said if the members wanted to borrow more now, the fund would have to be spent in three years. Series B bonds could be issued at some point where we would pay interest only for five to six years to fund this and possibly other projects over 20 years. Nordhoff said when the system was built, it was supposed to last 20 years. Chuck confirmed this and said the relocation is the

driving factor to replace it sooner. He asked why it just can't be picked up and moved. Chuck said the whole system would be down for three weeks because it would take about that amount of time to disconnect and move it. Kinsey asked what the useful life of the equipment would be at the end of the four-year timeline for the new EOF. Clearly this and other issues must be clarified.

Kinsey suggested that Cassingham draft a formal communication to the County that it is unrealistic for MERA to make a decision about this project in isolation from the larger strategic planning effort and find out how this impacts the calendar for the new EOF. Cassingham said MERA also needs a breakdown of the \$4M estimate and whether it includes planning costs, space rental, etc. Chuck said the \$4M only includes hardware, installation and interfaces with other sites. It was clarified that MERA does not currently pay prime site space rental. The question was raised that if MERA does not move to the new facility with the County, is there an option to move at a future date? Kreins said that a future move seems viable; however, MERA may need to spend money now to accommodate for that. Kinsey requested that the letter to the County about the timing of our formal response include the questions raised in today's meeting, as well as what may be asked in the Board meeting to follow. The draft should be circulated to the MERA Subcommittee and him for comments before sending to Mr. Hymel. He also suggested that the Subcommittee meet jointly with the Strategic Planning Committee regarding this project. He said he would summarize this discussion, with the Subcommittee's input, for the Board.

C. Open Time for Items Not on Agenda (*limited to two minutes per speaker*)

None to report.

Cassingham asked for Committee input on what works best for them to confirm their meeting attendance. After some discussion, there was a consensus to use the Outlook calendar program. Cassingham said she would work with Denise Wade to set this up.

D. Adjournment

Meeting adjourned at 2:45 p.m.

NEXT: MERA Executive Committee Regular Meeting
Wednesday, January 13, 2010 – 3:30 p.m.

Maureen Cassingham, Executive Officer