



East Bay Regional Communications System Authority



Participating agencies include Alameda and Contra Costa Counties and the following cities and special districts: Alameda, Albany, Antioch, Berkeley, Brentwood, Clayton, Concord, Danville, Dublin, El Cerrito, Emeryville, Fremont, Hayward, Hercules, Lafayette, Livermore, Martinez, Moraga, Newark, Oakland, Oakley, Pinole, Pittsburg, Pleasant Hill, Pleasanton, Richmond, San Leandro, San Pablo, San Ramon, Union City, Walnut Creek, East Bay Regional Park District, Kensington Police Community Services District, Livermore Amador Valley Transit Authority, Moraga-Orinda Fire District, Rodeo-Hercules Fire District, San Ramon Valley Fire District, California Department of Transportation, Ohlone Community College District, Contra Costa Community College District, Dublin-San Ramon Services District and University of California, Berkeley

BOARD OF DIRECTORS MEETING

SPECIAL MEETING

DATE: June 16, 2023

TIME: 10:00 a.m.

**PLACE: Alameda County Sheriff's Office of Emergency Services and Homeland Security
4985 Broder Blvd.
Dublin, CA 94568**

MINUTES

1. Call to Order/Roll Call: 10:00 a.m.

Boardmembers Present: Bms. G. Beaudin, J. Calabrigo, E. Christy, J. Diaz, T. Dupuis, A. Love, P. Meyer, M. Nino, M. Rodriguez, Y. Sanchez, C. Silva, K. Stepper, D. Swing, and J. Vorhauer

Staff Present: T. McCarthy, C. Boyer, L. McKinney, C. Soto

2. Public Comments: None.

3. Consent Calendar:

Board Chair Meyer pulled Item 3.2 for further discussion.

On motion of Bm. Stepper, seconded by Bm. Silva and by unanimous vote (Bm. Rodriguez abstaining from Item 3.1), the Board of Directors adopted Consent Calendar Items 3.1, 3.3, and 3.4 and took the following actions:

3.1 Approved of Minutes of the Board Meeting of January 27, 2023

3.3 Adopted **Resolution No. 23-02 Authorizing the Purchase of Replacement Microwave Antenna for Hayward Annex**

3.4 Adopted **Resolution No. 23-03 Authorizing the Purchase of Replacement Legacy Microwave Equipment**

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3.2 Adoption of Administrative Budget for Fiscal Year 2023/2024

Board Chair Meyer stated he pulled this item off of the Consent Calendar for further discussion. The Board needed to look at future years as there has been concerns regarding subscriber fees and costs.

Craig Boyer, Auditor, stated he would discuss the highlights: Revenues budgeted for about \$9 million this year, expenses about \$10 million. For FY 23/24, revenues are \$9 million with a slight increase due to an increase in radio count, but fairly consistent with last fiscal year. On the expenditure side, operating expenses of about \$4.5 million, capital is close to \$5 million, debt service is \$650,000. With total expenses, the Authority is projecting a net loss of \$1,049,000 for the fiscal year with sufficient reserves to cover that deficit. The loss is being driven by the higher capital costs. The next page of the budget gives a more detailed breakout of how the expenditures are laid out. The first column shows the budget adopted for FY 22/23, the second column shows FY22/23 projected budget, the third column shows the proposed budget for FY23/24, and the fourth column shows the changes between the upcoming budget and the projected year. Operating costs overall are slightly down due to one of the line items that was historically shown as operating costs has been reclassified to capital costs because on further discussion, it was determined it was more appropriate to classify it that way. On the capital side, the capital costs are not regular recurring and are driven by situational events. For the current year and upcoming year there are capital costs that are higher than they have historically been. For this current budget year, they have budgeted about \$4.5 million, for next budget year it's close to \$5 million. This is driving the deficit of \$1,049,000 shown on the first page of the budget. The third page of the budget shows the projected reserve balances. There are three types of reserves that are all defined by policies that were approved by the Board. The first reserve is the operating reserve. The reserved was modified this year at the direction of the Finance Committee. Normally the reserve is set at 50% of the budgeted operating costs. The Finance Committee requested a shift of \$1 million plus 50% over to capital reserve because of rising capital costs. The debt service reserve by policy is \$1 million as long as the debt is outstanding, and any remaining after they calculate the operating reserve and the dept service reserve goes to capital reserve. Currently, in operating reserves, there is a little over \$1 million budgeted for next year, debt service at \$1 million and capital a little under \$13 million. The final page is the 10-Year Cash Flow Projection. Showing no increases in dues, revenues are relatively flat from year-to-year. Especially since they did not have any projections for significant additions to the System. For the operating side, it projects actual contract costs or an inflation factor of 4%. For capital costs, in only include known capital costs for future years; any unknown costs that are coming down the line in the next 10 years are not being accounted for in this cash flow projection.

Bm. Calabrigo commented that when the Finance Committee discussed the shift of \$1 million from reserves over to capital to cover the shortfall for the upcoming year, it is driven by consideration of the fact that the timing of all of this in relation to all of the agencies' fiscal year budgets, many are on the July 1 through June 30 cycle; it spoke to the need to consider a subscriber fee adjustment. But given timing, they felt it was not appropriate to raise that issue for FY 23/24, hence shifting the dollars over from reserve to cover that shortfall for the upcoming year. But prefaced it by

saying that consideration of rates in the discussion needs to be had sooner rather than later about FY 24/25 and beyond so that they do not need to continue to do that. The question was between the time the Finance Committee looked at this, and the Board is looking at it today, he sees that the service revenue payments have gone up by 20%. Was this due to taking another look at the number of subscriber units and radios?

Auditor Boyer stated, yes, originally they had budgeted where the radio count estimate landed, but then they realized the actual number was higher.

Bms. Sanchez and Christy joined the meeting at 10:21 a.m.

Bm. Stepper asked when the rate increases would be effective and when would agencies be notified that they are subject to the increase.

Board Chair Meyer stated the Board would get a report from the Finance Committee and that conversation would be focused then. The Finance Committee will be discussing any rate increase and timing. The Authority would like to give agencies a full year to prepare.

On motion of Bm. Silva, seconded by Bm. Stepper and by unanimous vote, the Board of Directors adopted **Resolution No. 23-04 Adopting an Administrative Budget for Fiscal Year 2023/2024.**

4. **Written Communications:** None.

5. **Public Hearings:** None.

6. **Action Items:** None.

7. **Committee Updates:**

7.1 **Receive Informational Report on Recent Finance Committee Activities**

Chair Meyer stated work was being done on the capital plan so they could understand future costs. The concern from the Finance Committee is that they do not do what was done in the past, which is when suddenly they see a capital need, they come back to subscriber agencies and raise rates. They need to have a reasonable subscriber increase annually or ongoing and to make sure the capital costs are captured. He expects the Finance Committee will come up with a reasonable number and bring it back to the greater Board so that it can be discussed by all the Board members as to whether it is the right number.

Bm. Calabrigo stated they continue to focus overwhelmingly on the Operations side of the JPA. One of the issues that they have been trying to focus on is the need to finish the capital replacement analysis. Unless they are able to get that done, it will be hard to pin down with any level of certainty what all of the annual costs are going to be. They need to get the 10-Year Capital Replacement Plan done.

7.2 Receive Informational Report on Recent Operations Committee Activities

Board Chair Meyer stated it had the same conversations as the Finance Committee.

There is a need for succession planning for the Executive Director.

8. **Reports:**

8.1 Receive Informational Report on Time Division Multiple Access

Field work on the TDMA conversion has been completed, as well as work with the System. They are now waiting for agencies to buy radios as some agencies had very old radios that need replacing.

8.2 Receive Informational Report on Encryption Status

The Authority has purchased all encryption equipment that they were obligated to purchase and it has been installed. Now it is up to the agencies. The Authority had written the fleetmaps and now some agencies are still purchasing radios.

8.3 Receive Informational Report on Microwave/MPLS Status

The Microwave upgrade has been completed in Alameda County; next going to Richmond and then Contra Costa County.

8.4 Receive Informational Report on the City of Antioch Site at Walton Lane

The Executive Director has been trying to communicate with the City of Antioch on this project and he has now found out that the City has allowed its lease to expire on tower. This site impacts fire, police, sheriff and ambulance in an area known as Walton Lane. The Authority no longer gets grant funding. Most of the current sites were paid for with grant funding. They are still working out what costs Antioch will be responsible for.

8.5 Receive Informational Report on Contra Costa County Site in Martinez Replacing 651 Pine Street

Contra Costa County had its master site located on the roof of the Administration building at 651 Pine Street. That building had to be leveled so Contra Costa County worked with East Bay Regional Park District (EBRPD) to find a plot of land in one of EBRPD parks for a temporary site at the County's cost. PG&E electric will be connected on June 29.

8.6 Receive Informational Report on Wiedemann Project in San Ramon

San Ramon Valley Fire Protection District (SRVFPD) has an ordinance that if a developer builds and there is not coverage for safety communications there, the developer is responsible to build a site. SRVFPD worked with the developer, Lennar homes, to get that site built. Lennar will pre-pay a ten-year lease. The antenna is up and everything is going well.

8.7 Receive Informational Report on Alameda County Parking Garage Adjacent to East Dublin BART

Alameda County is building a five-story parking garage next to the BART station. The new garage will block two antennas of the Authority's antenna paths. The path of site antenna which goes behind Santa Rita which is how they get into the master site, and Doolan in Livermore above Las Positas and the Authority will not be able to transmit. He was able to get a plan document to Aviat for review and a quote, as well as CSI the Authority's engineer up there. He contacted BART and they said they had plans to loan them to the Authority. They will need to do testing of the towers.

8.8 Receive Information Report on Fifth Amended and Restated Communications System Agreement (CSA)

A CSA with Motorola will be brought back to the Board.

8.9 Receive Information Report on Aviat Repair and Maintenance Agreement

There are not many companies you can go to for these services. Aviat is the Authority's contractor to provide parts. He is working on this maintenance agreement.

Bm. Silva stated Finance Committee conversations also need to include how much operating reserve the Authority needs to have and anticipates what those costs are for.

Bm. Anderson joined the meeting at 10:57 a.m.

10. **Board Comments:**

Chair Meyer stated from a Board meeting prospective, his preference is not to meet as a Board unless they have decisions to be voted on. Committees need to meet regularly, at least quarterly. He is going to look at changing the day of the week for meetings.

Boardmembers requested an updated list of meetings be emailed to them.

11. **Adjournment:** With no further business coming before the Board of Directors, the meeting was adjourned at 11:05 a.m.



Caroline P. Soto
Authority Secretary