



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, 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

FINANCE COMMITTEE MEETING

NOTICE OF SPECIAL MEETING

DATE: November 22, 2024

TIME: 10:30 a.m.

PLACE: Alameda County Office of Homeland Security and Emergency Services,
Room 1013
4985 Broder Blvd., Dublin, CA 94568

AGENDA

1. Call to Order/Roll Call/Introductions
2. Public Comments (Meeting Open to the Public):
At this time, the public is permitted to address the Committee on items within the Committee's subject matter jurisdiction that do not appear on the agenda. Please limit comments to a maximum of three (3) minutes. If you wish to comment on an item that is on the agenda, please wait until the item is read for consideration.
3. Approval of Minutes of August 30, 2024, Finance Committee Meeting
4. Presentation of 2023 Audited Financial Statements
5. Presentation of the Accounts Receivable Aging
6. Provide Recommendation for Operating and Capital Fund Balances
7. Provide Recommendation for Future Rate Increases for Capital Infrastructure Replacement
8. Provide Direction for Billing Consistency
9. Provide Policy Direction for Tower Leases by Member Agencies
10. Provide Recommendation for Executive Director Compensation
11. East Bay Regional Communication System Updates
 - Capital Improvement/Replacement Project
 - The City of Antioch Site on Walton Lane
 - Radio Purchase Agreement

**Alameda County Office of Homeland Security and Emergency Services
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12. Agenda Items for Next Meeting
 - a. Director Spending Authority

13. Adjournment

This AGENDA is posted in accordance with Government Code Section 54954.2(a)

If requested, pursuant to Government Code Section 54953.2, this agenda shall be made available in appropriate alternative formats to persons with a disability, as required by Section 202 of the Americans with Disabilities Act of 1990 (42 U.S.C. Section 12132), and the federal rules and regulations adopted in implementation thereof. To make a request for disability-related modification or accommodation, please contact the EBRCSA at (925) 803-7802 at least 72 hours in advance of the meeting.

I hereby certify that the attached agenda was posted 72 hours before the noted meeting.



David Swing, Executive Director

November 18, 2024



**East Bay Regional
Communications
System Authority**

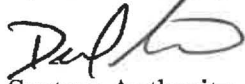


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AGENDA ITEM NO. 3

**AGENDA STATEMENT
FINANCE COMMITTEE
MEETING DATE: NOVEMBER 22, 2024**

TO: Finance Committee
East Bay Regional Communications System Authority (EBRCSA)

FROM: David Swing, Executive Director 
East Bay Regional Communications System Authority

SUBJECT: Approval of Minutes of the August 30, 2024 Finance Committee Meeting

RECOMMENDATIONS:

Approve the minutes of the August 30, 2024 Finance Committee Meeting

SUMMARY/DISCUSSION:

The Finance Committee will consider approval of the minutes of the August 30, 2024 Finance Committee meeting.

Attachments:

1. Draft Minutes of the August 30, 2024 Finance Committee Meeting



East Bay Regional Communications System Authority



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FINANCE COMMITTEE MEETING

REGULAR MEETING

DATE: August 30, 2024

TIME: 11:00 a.m.

PLACE: Alameda County Office of Homeland Security and Emergency Services,
Room 1013, 4985 Broder Blvd., Dublin, CA 94568

DRAFT MINUTES

- 1. Call to Order/Roll Call:** The regular meeting of the Finance Committee was called to order at 11:01 a.m.

Committee Members Present:

P. Meyer, Chief, San Ramon Valley Fire Protection District
J. Calabrigo, Town Manager, Town of Danville
S. Perkins, Councilmember, City of San Ramon
M. Shorr, CIO, Contra Costa County
C. Silva, Councilmember, City of Walnut Creek

Staff Present:

D. Swing, Executive Director
C. Boyer, Auditor
J. Kwong, Administrative Assistant

- 2. Public Comments:** None.
- 3. Approval of Minutes of April 19, 2024, Finance Committee Meeting**

On motion of Bm. Perkins, seconded by Bm. Shorr, and by unanimous vote, the Finance Committee approved the minutes.

- 4. Presentation of 2023 Audited Financial Statements and Proposed Financial Statement Reporting Policy**

Auditor Ahmed Badawi presented the audit process and an overview of the report. He stated that there will be new accounting standards for 2024-2026 that will be implemented.

Members stated concerns with invoices being monitored and paid on time. Executive Director Swing stated he is working with the Auditors to ensure that bills are sent out timely by EBRCSA and that payments are made.

On motion of Bm. Perkins, seconded by Silva, and by unanimous vote, the committee recommended approval of the policy to be brought to a future Board meeting.

5. Review Proposed Accounts Receivable Policy

On motion of Bm. Perkins, seconded by Bm. Silva, and by unanimous vote, the committee recommended approval of the policy to bring to a future Board meeting with the modification adding a fifth bullet point in policy item 1 that accounts not paid will be sent to collections beginning in January 2025.

6. Recommendation for write-off of certain invoices

On motion of Bm. Shorr, seconded by Bm. Perkins, and by unanimous vote, the committee approved recommendation of the write off of invoices to bring to a future Board meeting.

7. Review Proposed Subscriber MOU

On motion of Bm. Silva, seconded by Bm. Shorr, and by unanimous vote, the committee recommended approval of the Subscriber MOU to bring to a future Board meeting with the modification for the fee for late payment to be set at 10%.

8. East Bay Regional Communication System Updates

Executive Director Swing provided a brief status update on the following items:

- Capital Improvement/Replacement Project
- The City of Antioch Site on Walton Lane
- Radio Purchase Agreement

9. Agenda Items for Next Meeting: No items recommended by the Committee.

10. Adjournment: There being no further business, the meeting was adjourned at 12:32 p.m.

Jocelyn Kwong
Authority Secretary



**East Bay Regional
Communications
System Authority**




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AGENDA ITEM NO. 4

**AGENDA STATEMENT
FINANCE COMMITTEE
MEETING DATE: NOVEMBER 22, 2024**

TO: Finance Committee
East Bay Regional Communications System Authority (EBRCSA)

FROM: David Swing, Executive Director 
East Bay Regional Communications System Authority

SUBJECT: Audited Financial Statements Presentation

RECOMMENDATIONS:

Recommend presentation of the 2024 Audited Financial Statements Report to the Board of Directors

SUMMARY/DISCUSSION:

Each year, the Authority contracts with the independent audit firm Badawi and Associates to perform a financial audit of the Authority's financial statements. The independent auditor evaluates whether the financial statements have been prepared using generally accepted accounting principles. For fiscal year 2023-2024, the independent auditor expressed an opinion that the financial statements are presented in accordance with generally accepted accounting principles. The external auditor also provided a letter that includes required communications. The Auditors identified a significant deficiency during the audit. The deficiency is related to inadequate documentation and authorization of changes to billing rates.

A representative of Badawi and Associates will present the 2024 report at the Finance Committee meeting. If the report is approved by the Committee the audited financial statements will be presented to the Board at the December 6, 2024 meeting.

Attachments:

1. Audited Financial Statements

**Alameda County Office of Homeland Security and Emergency Services
4985 Broder Blvd, Dublin CA 94568 • (925) 803-7802 • www.ebrcsa.org**

East Bay Regional Communications System Authority

Dublin, California

*Auditor's Communication of
Significant Deficiency*

For the year ended June 30, 2024

To the Board of Directors
of the East Bay Regional Communications System Authority
Dublin, California

To Management and Board of Directors of the East Bay Regional Communications System Authority:

In planning and performing our audit of the basic financial statements of East Bay Regional Communications System Authority (Authority) as of and for the year ended June 30, 2024, in accordance with auditing standards generally accepted in the United States of, we considered the Authority's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control over financial reporting.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be significant deficiencies or material weaknesses and therefore, significant deficiencies or material weaknesses may exist that have not been identified. However, as discussed below, we identified certain deficiencies in internal control that we consider to be *significant deficiencies*.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A reasonable possibility exists when the likelihood of an event occurring is either reasonably possible or probable as defined as follows:

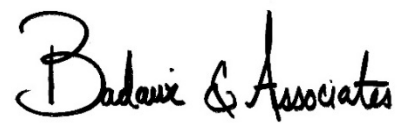
- *Reasonably possible*. The chance of the future event or events occurring is more than remote but less than likely.
- *Probable*. The future event or events are likely to occur.

A significant deficiency is a deficiency, or a combination of deficiencies, in internal control over financial reporting that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiency described in the accompanying schedule of findings and responses as item 2024-01 to be a significant deficiency:

None of the identified significant deficiencies are considered to be material weaknesses.

To the Board of Directors
of the East Bay Regional Communications System Authority
Dublin, California
Page 2

The purpose of this communication, which is an integral part of our audit, is to describe for management and those charged with governance the scope of our testing of internal control and the results of that testing. Accordingly, this communication is not intended to be and should not be used for any other purpose.

A handwritten signature in black ink that reads "Badawi & Associates". The signature is written in a cursive, flowing style.

Badawi & Associates, CPAs
Berkeley, California
November 1, 2024

East Bay Regional Communications System Authority
Schedule of Findings and Responses
For the year ended June 30, 2024

2024-01: Significant Deficiency in Internal Control over Financial Reporting - Inadequate documentation and authorization of changes to billing rates

Criteria:

- All billing rate changes must be documented and approved by the appropriate authority in accordance with the Authority's policies and procedures.

Condition:

- A review of certain billing records identified instances where billing rates were modified without sufficient supporting documentation or approval.
- The lack of proper authorization and documentation hinders the ability to verify the accuracy and appropriateness of the changes.

Potential Effect:

- **Financial Risk:** Incorrect billing rates could lead to overcharging or undercharging, impacting revenue and profitability.
- **Compliance Risk:** Non-compliance with contractual agreements could result in penalties and legal liabilities.
- **Operational Risk:** Inefficient billing processes and lack of oversight increase the risk of errors and delays in billing cycles.

Cause:

- There was no process in place to ensure that billing rates changes were properly authorized and documented.

Recommendation:

1. **Implement a Formal Change Management Process:** Establish a clear and documented process for reviewing, approving, and implementing billing rate changes.
2. **Require Adequate Documentation:** Mandate that all billing rate changes be supported by detailed documentation, including justification, impact analysis, and approval signatures.
3. **Enhance Oversight and Monitoring:** Implement regular reviews of billing rates to ensure accuracy and compliance with established policies and procedures.
4. **Provide Training and Awareness:** Conduct training sessions for relevant personnel on the importance of proper documentation, authorization, and change management procedures.

Views of Responsible Official(s):

The Authority agrees with the recommendation to address the finding. For future billing rate changes, we will establish a written policy that explains how the Authority will implement billing rate changes. All future billing rate changes will follow the written policy. The Authority will seek Board direction to ensure consistent billing rates for members with rates that are lower than the established threshold.



***East Bay Regional
Communications
System Authority***



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**Financial Statements
With Independent Auditor's Report
For Fiscal Year Ended June 30, 2024**

**East Bay Regional Communications System Authority
Alameda County Office of Homeland Security and Emergency Services
4985 Broder Boulevard, Dublin CA 94568 • (925) 803-7802 • www.ebrcsa.org**

**Prepared by the Alameda County Auditor-Controller Agency
Financial Reporting Unit**

East Bay Regional Communications System Authority

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Introductory Section

East Bay Regional Communications System Authority

Board of Directors

County Representatives

Yesenia Sanchez, Sheriff, Alameda County
David Haubert, Member, Alameda County Board of Supervisors
Susan Muranishi, County Administrator, Alameda County
Michael Casten, Undersheriff, Contra Costa County
Candace Andersen, Supervisor, Contra Costa County
Monica Nino, County Administrator, Contra Costa County

City Representatives

Justin Ezell, Assistant City Manager, City of Concord
Joe Calabrigo, Town Manager, Town of Danville
Karen Stepper, Mayor, Town of Danville
Linda Smith, City Manager, City of Dublin
Gerry Beaudin, City Manager, City of Pleasanton
Matt Rodriguez, City Manager, City of San Pablo
Scott Perkins, Councilmember, City of San Ramon
Cindy Silva, Councilmember, City of Walnut Creek
Marc Salinas, City of Hayward

Public Safety Representatives

Paige Meyer, Fire Chief, San Ramon Valley Fire Protection District (Currently serving as Board Chair)
Jon King, Police Chief, City of Moraga
Damon Covington, Fire Chief, City of Oakland
Filice Roberto, Police Chief, East Bay Regional Park District

Special District Representative

Craig Alan Love, Chief, Oakland Housing Authority Police (Currently serving as Vice Chair)

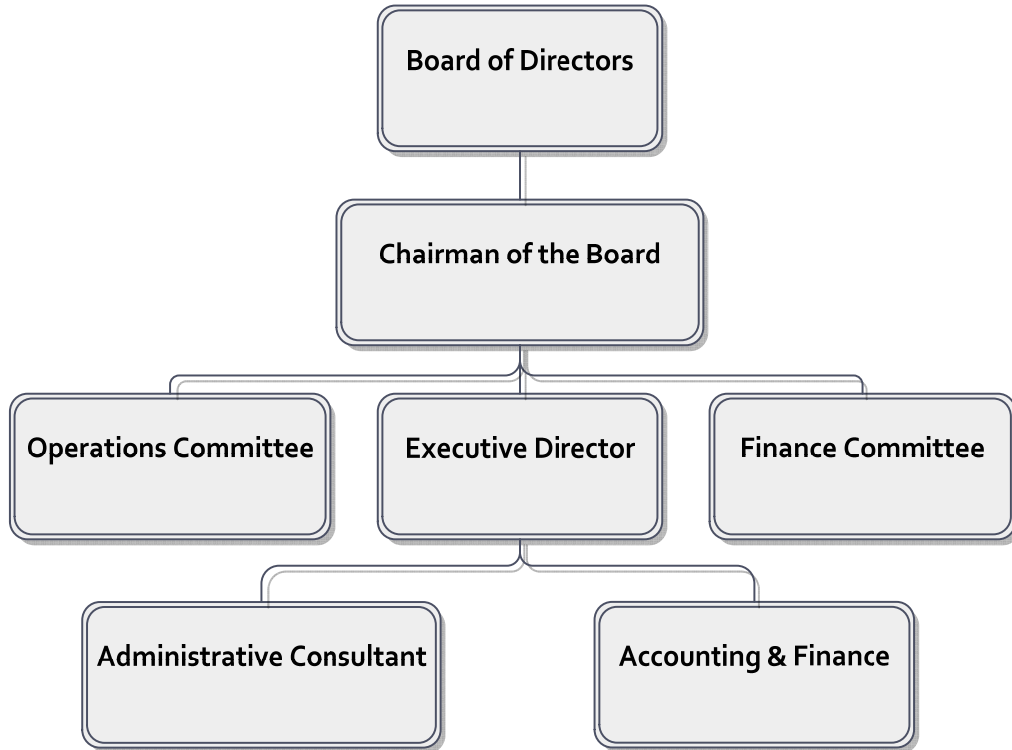
Management Personnel

Executive Director

David Swing

East Bay Regional Communications System Authority

Organization Chart



East Bay Regional Communications System Authority

Members

The EBRCSA currently has 72 member agencies. Participating agencies include:

Counties

Alameda County
Contra Costa County

Special Districts

Bethel Island Municipal Improvement District
Central Contra Costa Sanitary District
Contra Costa Community College District
Contra Costa County Fire District
Dublin-San Ramon Services District
East Bay Regional Park District
East Contra Costa Fire District
Hayward Area Recreation & Park District
Kensington Police Community Services District
Livermore Amador Valley Transit Authority
Livermore-Pleasanton Fire Department
Moraga-Orinda Fire District
Oakland Housing Authority
Ohlone Community College District
Oro Loma Sanitary District
Port of Oakland
Rodeo-Hercules Fire Protection District
San Ramon Valley Fire Protection District
Water Emergency Transportation Agency

State

California Department of Corrections
California Department of Corrections/Division of
Adult Parole Operations
University of California, Berkeley
California State University, East Bay

Federal

Bureau of Alcohol, Tobacco, Firearms, and Explosives
Federal Reserve Bank
US Marshals

Other

American Medical Response
Eagle Ambulance
Falck Ambulance Company
Falcon Critical Care Transportation
Lawrence Berkeley National Laboratory
Lawrence Livermore Lab
Norcal Ambulance
ProTransport-1
Sonoma County Ambulance
United Ambulance Service

Cities

City of Alameda
City of Albany
City of Antioch
City of Berkeley
City of Brentwood
City of Clayton
City of Concord
City of Dublin
City of El Cerrito
City of Emeryville
City of Fremont
City of Hayward
City of Hercules
City of Lafayette
City of Livermore
City of Martinez
City of Newark
City of Oakland
City of Oakley
City of Orinda
City of Piedmont
City of Pinole
City of Pittsburg
City of Pleasant Hill
City of Pleasanton
City of Richmond
City of San Leandro
City of San Pablo
City of San Ramon
City of Union City
City of Vallejo
City of Walnut Creek
Town of Danville
Town of Moraga

Financial Section

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
of the East Bay Regional Communications System Authority
Dublin, California

Report on the Audit of the Financial Statements

We have audited the accompanying financial statements of the East Bay Regional Communications System Authority (Authority) as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the Authority, as of June 30, 2024, and the respective changes in financial position and cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Authority and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

The Authority's management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

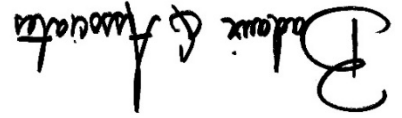
Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4-8 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for

To the Board of Directors
of the East Bay Regional Communications System Authority
Dublin, California
Page 3

consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Management is responsible for the other information included in the Financial Statements. With Independent Auditor's Report. The other information comprises the Introductory Section but does not include the financial statements and our auditor's report thereon. Our opinions on the financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.



Badawi & Associates, CPAs
Berkeley, California
November 1, 2024

**East Bay Regional Communications System Authority
Management's Discussion and Analysis (Unaudited)
For Fiscal Year Ended June 30, 2024**

This section of the financial statements for the East Bay Regional Communications System Authority (the Authority) presents a narrative overview and analysis of the financial activities of the Authority for the fiscal year ended June 30, 2024. This information is presented in conjunction with the audited basic financial statements, which follows this section.

Financial Highlights

- The assets of the Authority exceeded its liabilities at the close of fiscal year 2024 by \$27,621,462. Of this amount, \$14,288,052 represents unrestricted net position, which may be used to meet the Authority's ongoing obligations.
- The Authority's total net position decreased by \$2,235,340 which was primarily due to depreciation of capital assets.
- The Authority's total outstanding long-term obligations decreased by \$2,361,807 during the current fiscal year because of principal payments. Service Payments (revenues obligated for debt payments) increased by \$102,510, or 6.6 percent, and exceeded debt obligations by \$1,017,530.

Overview of the Financial Statements

The discussion and analysis are intended to serve as an introduction to the Authority's basic financial statements. The Authority reports financial statements under the enterprise fund type as it is used to report activities for which fees are charged to external users for goods and services. As such, the Authority's financial statements are prepared on an accrual basis in accordance with Generally Accepted Accounting Principles.

Enterprise Fund Financial Statements

The Authority's financial information is presented in the Statement of Net Position; the Statement of Revenues, Expenses and Changes in Net Position; and the Statement of Cash Flows. The Statement of Net Position includes all the Authority's assets and liabilities, and provides information about the nature and amounts of investments in resources (assets) and obligations to creditors (liabilities). The Statement of Revenues, Expenses, and Changes in Net Position identifies the Authority's revenues and expenses and can be used to determine whether the Authority has successfully recovered all its costs through user fees and other charges. The Statement of Cash Flows provides information on the Authority's cash receipts, cash disbursements, and net changes in cash resulting from operations, investments, and financing activities.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the financial statements.

East Bay Regional Communications System Authority
Management's Discussion and Analysis (Unaudited)
For Fiscal Year Ended June 30, 2024

Financial Analysis of the Authority

Statement of Net Position

The statement of net position presents information on all of the Authority's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Authority is improving or deteriorating. A summarized comparison of the Authority's assets, liabilities, and net position at June 30 is as follows:

Condensed Statement of Net Position
June 30, 2024 and 2023

	<u>June 30, 2024</u>	<u>June 30, 2023</u>	<u>Change</u>	
Assets:				
Current assets	\$ 14,697,873	\$ 14,390,130	\$ 307,743	2.1%
Capital assets, net	22,297,532	27,002,756	(4,705,224)	-17.4%
Lease assets, net	313,004	31,974	281,030	89.8%
Total Assets	<u>37,308,409</u>	<u>41,424,860</u>	<u>(4,116,451)</u>	<u>-9.9%</u>
Liabilities:				
Current liabilities	2,821,865	2,603,936	217,929	8.4%
Noncurrent liabilities	6,865,082	8,964,122	(2,099,040)	-23.4%
Total Liabilities	<u>9,686,947</u>	<u>11,568,058</u>	<u>(1,881,111)</u>	<u>-16.3%</u>
Net Position:				
Net investment in capital assets	13,333,410	15,771,556	(2,438,146)	-15.5%
Unrestricted	14,288,052	14,085,246	202,806	1.4%
Total Net Position	<u>\$ 27,621,462</u>	<u>\$ 29,856,802</u>	<u>\$ (2,235,340)</u>	<u>-7.5%</u>

In fiscal year 2024, total assets decreased by \$4,116,451 or 9.9 percent. The decrease is primarily due to the decrease in capital assets of \$4,705,224 due to depreciation costs. This was offset by an increase in current assets of \$307,743 or 2.1 percent and in lease assets of \$281,030 or 89.8 percent. Current assets increased primarily due to an increase in cash of \$1,916,295 or 17.7 percent offset by a decrease in accounts receivable by \$1,573,678 due to member dues collection. Lease assets increased due to new lease agreements for the use of land for radio towers.

Total liabilities decreased by \$1,881,111 or 16.3 percent. This was the result of a decrease in long term liabilities of \$2,099,040, and an increase in accounts payable of \$149,950. The increase in accounts payable was due to the timing of payments made to vendors and the decrease in long term liabilities was as a result of debt payments.

Total net position decreased by \$2,235,340 or 7.5 percent. This was a result of an increase in unrestricted net position of \$202,806 or 1.4 percent and a decrease of net investment in capital assets of \$2,438,146 or 15.5 percent. See the next section for analysis regarding the change in unrestricted net position. The decrease in net investment in capital assets is due to annual depreciation of capital assets placed in to service, net of long-term debt principal paid during the fiscal year.

East Bay Regional Communications System Authority
Management’s Discussion and Analysis (Unaudited)
For Fiscal Year Ended June 30, 2024

As noted earlier, net position may serve over time as a useful indicator of a government’s financial position. In the case of the Authority, assets exceed liabilities by \$27,621,462 as of June 30, 2024, a decrease of \$2,235,340 compared to June 30, 2023.

Statement of Revenues, Expenses and Changes in Net Position

The Statement of Revenues, Expenses and Changes in Net Position reflect how the Authority’s net position changed during the recent fiscal year as compared to the prior year. These changes are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. A summary of the Statement of Revenues, Expenses and Changes in Net Position is as follows:

Condensed Statement of Changes in Net Position
For the Years Ended June 30, 2024 and 2023

	<u>June 30, 2024</u>	<u>June 30, 2023</u>	<u>Change</u>	
Operating revenues:				
Operating payments	\$ 6,651,092	\$ 5,804,298	\$ 846,794	14.6%
Other operating revenues	<u>1,665,120</u>	<u>1,579,410</u>	<u>85,710</u>	<u>5.4%</u>
Total operating revenues	<u>8,316,212</u>	<u>7,383,708</u>	<u>932,504</u>	<u>12.6%</u>
Operating expenses:				
Maintenance	4,961,848	3,304,338	1,657,510	50.2%
Depreciation and amortization	4,997,033	4,862,200	134,833	2.8%
Other operating expenses	<u>746,450</u>	<u>626,189</u>	<u>120,261</u>	<u>19.2%</u>
Total operating expenses	<u>10,705,331</u>	<u>8,792,727</u>	<u>1,912,604</u>	<u>21.8%</u>
Non-operating revenues/(expenses):				
Interest expense	(246,821)	(289,198)	42,377	-14.7%
Interest income	<u>400,600</u>	<u>198,684</u>	<u>201,916</u>	<u>101.6%</u>
Total non-operating revenues/(expenses)	<u>153,779</u>	<u>(90,514)</u>	<u>244,293</u>	<u>-269.9%</u>
Change in net position	(2,235,340)	(1,499,533)	(735,807)	49.1%
Net position – beginning of period	<u>29,856,802</u>	<u>31,356,335</u>	<u>(1,499,533)</u>	<u>-4.8%</u>
Net position – end of period	<u>\$ 27,621,462</u>	<u>\$ 29,856,802</u>	<u>\$ (2,235,340)</u>	<u>-7.5%</u>

Total change in net position decreased by \$2,235,340 for the fiscal year ended June 30, 2024, because of the following:

- Total operating revenues increased by \$932,504 or 12.6 percent. This was due to an increase in operating payment revenues of \$846,794 or 14.6 percent and an increase in other operating revenues of \$86,023 or 5.4 percent. The reason for the increase in operating payments and other operating revenues is primarily due to higher radio counts used for determining member dues.
- Total operating expenses increased by \$1,912,604 or 21.8 percent. The cause for the increase was primarily due to an increase in maintenance expense of \$1,657,510 due to a new Motorola agreement to maintain and support the communication system.

East Bay Regional Communications System Authority
Management's Discussion and Analysis (Unaudited)
For Fiscal Year Ended June 30, 2024

- Total non-operating revenues increased by \$201,916 or 101.6 percent due to higher rates of return on investment and total non-operating expenses decreased by \$42,377 or 14.7 percent due to lower financed purchase interest expense.

Capital Assets and Debt Administration

Capital Assets

The Authority's capital assets net of accumulated depreciation amount to \$22,297,532, as shown in the table below. This amount includes construction in progress, structures and improvements, machinery and equipment, and software. The increase in the Authority's capital assets of \$286,107 was primarily due to acquisition of encryption equipment. The decrease in the Authority's capital assets for fiscal year 2024 of \$4,991,331 was primarily due to annual depreciation.

Capital Assets
For the Year Ended June 30, 2024

	2023	Increases	Decreases	2024
Construction in progress	\$ 893,220	\$ -	\$ (27,531)	\$ 865,689
Structures and improvements	728,709	-	(174,890)	553,819
Machinery and equipment	25,129,329	286,107	(4,728,509)	20,686,927
Software	251,498	-	(60,401)	191,097
Total	\$ 27,002,756	\$ 286,107	\$ (4,991,331)	\$ 22,297,532

Additional information about the Authority's capital assets can be found in Note 3 (page 15) of the notes to the basic financial statements.

Long-Term Debt Activity

On June 30, 2024, the Authority had long-term debt outstanding of \$9,250,694. The Authority's total debt decreased by \$2,361,807 as a result of principal payments made to its debtors and increased by \$347,782 for the right to use cell towers on third-party property to transmit signals.

Outstanding Long-term Debt
For the Year Ended June 30, 2024

	2023	Increases	Decreases	2024
Series A	\$ 1,412,000	\$ -	\$ (332,000)	\$ 1,080,000
Series B	940,000	-	(221,000)	719,000
Leases	33,519.00	347,782	(33,519.00)	347,782
Financed purchase obligations	8,879,200	-	(1,775,288)	7,103,912
Total	\$ 11,264,719	\$ 347,782	\$ (2,361,807)	\$ 9,250,694

**East Bay Regional Communications System Authority
Management’s Discussion and Analysis (Unaudited)
For Fiscal Year Ended June 30, 2024**

Additional information about the Authority’s long-term debt can be found in Note 4 (page 18) of the notes to the basic financial statements.

Economic Factors and Next Year’s Budget

The Authority’s budget uses charges for services to recover costs associated with the operation of the communications system. The Authority charges its members various fees to have their radios connected to the system. The board of directors sets the rate structure for the Authority, which consists of three categories:

1. Operating Payments – a \$30 monthly fee charged to members per radio connected to the system. These revenues pay for operating expenses. Any surplus is set aside to cover future maintenance costs.
2. Service Payments – a \$15 monthly fee charged to members per radio connected to the system. These revenues pay for debt expenses. Any surplus is set aside to cover future asset replacement costs.
3. Initial Payments – a \$200 one-time fee charged to members per radio added to the system. These revenues are set aside for future asset replacement costs.

The Authority annually updates its radio counts based on reports provided by the Information Technology Departments of the County of Alameda and the County of Contra Costa.

All of the above factors were considered in preparing the Authority’s budget for fiscal year 2023-2024.

The Authority adopted its fiscal year 2024-2025 budget on May 3, 2024.

Requests for Information

This financial report is designed to provide our citizens, taxpayers, and members with a general overview of the Authority’s finances and to demonstrate the Authority’s accountability for the money it receives. Below is the contact for questions about this report or requests for additional financial information.

East Bay Regional Communications System Authority
Alameda County Office of Homeland Security and Emergency Services
4985 Broder Boulevard, Dublin, CA 94568
Website: www.ebrcsa.org

East Bay Regional Communications System Authority
Statement of Net Position
For Fiscal Year Ended June 30, 2024

Assets:

Current assets:

Cash and cash equivalents (Note 2)	\$ 13,895,366
Receivables (Note 7)	736,328
Prepaid expenses	66,179
Total current assets	<u>14,697,873</u>

Noncurrent assets:

Capital assets, not being depreciated (Note 3)	865,689
Capital assets, net of accumulated depreciation (Note 3)	21,431,843
Lease assets, net of accumulated amortization (Note 3)	313,004

Total assets	<u>37,308,409</u>
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Liabilities:

Current liabilities:

Accounts payable (Note 7)	366,770
Interest payable	69,483
Bonds payable (Note 4)	576,000
Leases payable (Note 4)	65,195
Financed purchase obligations (Note 4)	1,744,417
Total current liabilities	<u>2,821,865</u>

Noncurrent liabilities:

Bonds payable (Note 4)	1,223,000
Leases payable (Note 4)	221,377
Financed purchase obligations (Note 4)	5,420,705

Total liabilities	<u>9,686,947</u>
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Net Position

Net investment in capital assets	13,333,410
Unrestricted	14,288,052

Total net position	<u>\$ 27,621,462</u>
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The notes to the basic financial statements are an integral part of this statement.

East Bay Regional Communications System Authority
Statement of Revenues, Expenses, and Changes in Net Position
For Fiscal Year Ended June 30, 2024

Operating revenues:	
Initial payments	\$ 1,200
Service payments	1,663,920
Operating payments	<u>6,651,092</u>
Total operating revenue	<u><u>8,316,212</u></u>
Operating expenses:	
Administration	303,939
Audit fees	19,305
Depreciation	4,963,800
Amortization	33,233
Insurance	83,699
Legal	76,242
Licenses and permits	1,752
Maintenance	4,961,848
Membership fees	9,025
Security	38,507
Utilities	210,581
Website hosting	<u>3,400</u>
Total operating expenses	<u><u>10,705,331</u></u>
Operating income (loss)	<u><u>(2,389,119)</u></u>
Non-operating revenues (expenses):	
Interest expense	(246,821)
Interest income	<u>400,600</u>
Total non-operating revenues (expenses)	<u><u>153,779</u></u>
Change in net position	(2,235,340)
Net position - beginning of period	<u>29,856,802</u>
Net position - end of period	<u><u>\$ 27,621,462</u></u>

The notes to the basic financial statements are an integral part of this statement.

East Bay Regional Communications System Authority
Statement of Cash Flows
For Fiscal Year Ended June 30, 2024

Cash flows from operating activities:

Receipts from members	\$ 9,889,890
Payments to suppliers and service providers	(5,460,311)
Net cash provided by operating activities	<u>4,429,579</u>

Cash flows from capital and related financing activities:

Principal paid on financing	(2,328,288)
Interest paid on financing	(263,857)
Acquisition and construction of capital assets	(258,576)
Net cash used in capital and related financing activities	<u>(2,850,721)</u>

Cash flows from investing activities:

Interest received on pooled cash	370,219
Net cash provided by investing activities	<u>370,219</u>

Net increase in cash and cash equivalents

1,949,077

Cash and cash equivalents - beginning of period

11,946,289

Cash and cash equivalents - end of period

\$ 13,895,366

Reconciliation of operating income to net cash provided by operating activities:

Operating income	\$ (2,389,119)
Adjustments for non-cash activities:	
Depreciation expense	4,963,800
Amortization expense	33,233
Changes in assets and liabilities:	
Accounts receivable	1,573,678
Prepaid expenses	98,037
Prepaid interest	-
Accounts payable	149,950
Unearned revenues	-
Total adjustments	<u>6,818,698</u>
Net cash provided by operating activities	<u>\$ 4,429,579</u>

The notes to the basic financial statements are an integral part of this statement.

Note 1: Summary of Significant Accounting Policies

A. Scope of Financial Reporting Entity

The East Bay Regional Communications System Authority (the Authority) is a joint exercise of powers agency (JPA) organized by the State of California and composed of the County of Alameda and the County of Contra Costa created pursuant to a Joint Exercise of Power Agreement dated as of September 11, 2007. By definition, a JPA is two or more contracted public agencies jointly exercising any power common to the contracting parties, including, but not limited to, the authority to levy a fee, assessment, or tax, even though one or more of the contracting agencies may be located outside the state.

The Authority was formed to develop a P-25 compliant communications system that provides fully interoperable communications to all public agencies not only within the two counties, but with adjoining counties and State and Federal agencies as well. The development of the system was financed through multiple sources including Homeland Security grant funds from the Urban Area Security Initiative (UASI), Community Oriented Policing Services (COPS), Public Safety Interoperable Communications (PSIC), State Homeland Security Grant Programs (SHSGP), revenue bonds, and capital contributions from members.

The Authority's financial activities are reported under the JPA Radio Interoperability Fund in the County of Alameda and its funds are held by the Treasurer of the County of Alameda. The books and records for the Authority are maintained by the County of Alameda, Auditor-Controller Agency's Financial Reporting Unit.

B. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The financial statements of the Authority are presented as an enterprise fund under the broad category of funds called proprietary funds. Enterprise funds account for business-like activities that are financed primarily by user charges and use the *economic resources measurement focus* and the *accrual basis of accounting* similar to the private sector. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenues when all eligibility requirements imposed by the provider have been met.

The financial statements are presented in accordance with the pronouncements of the Governmental Accounting Standards Board (GASB). According to GASB Statement 34, enterprise funds may be used to report any activity for which a fee is charged to external users for goods or services.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The Authority also recognizes as operating revenue the portion of connection fees intended to recover the cost of connecting new customers to the system. Operating expenses include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

East Bay Regional Communications System Authority

Notes to Basic Financial Statements

June 30, 2024

C. Cash and Investments

The Authority’s cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments. The Authority maintains its cash with the County of Alameda Treasurer.

The County follows the practice of pooling cash and investments of all funds with the County Treasurer, except for certain restricted funds, which are generally held by outside custodians and classified as “Cash and investments with fiscal agents” within its financial statements.

The fair value of the Treasurer’s Pool is determined on a quarterly basis. The adjustment to the cash balance of all participants in the pool is based on the cash balance at the valuation date. The change in the fair value of the investments is recognized in the year in which the change occurred. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value of investments is determined using the fair value hierarchy defined by GASB Statement No. 72, *Fair Value Measurement and Application*.

The Treasurer’s Pool is audited annually by independent auditors. In order to obtain a copy of the most recent report, contact the Office of the Alameda County Treasurer – Tax Collector at 1221 Oak Street, Room 131, Oakland, CA 94612.

D. Capital and Lease Assets

Capital assets, which include land, construction in progress, structures and improvements, machinery and equipment, software, and infrastructure, are valued at historical cost. The Authority capitalizes equipment and computer software with minimum cost of \$5,000 and \$250,000, respectively, and an estimated useful life in excess of one year. Structures and improvements and infrastructure with a value of at least \$250,000 are capitalized. Donated capital assets are recorded at acquisition value at the date of donation. Financed purchased assets, which include structures and improvements, and machinery and equipment, follow the same capitalization thresholds as capital assets.

Capital assets of the Authority are depreciated using the straight-line method applied over the estimated useful lives of the assets, using the following estimated useful lives:

<u>Type of Asset</u>	<u>Estimated Useful Life in Years</u>
Structures and Improvements	30
Machinery and Equipment	3-20
Software	5-10
Infrastructure	10-100

Lease assets are amortized using the straight-line method over the shorter of the contract term or the useful life of the underlying asset, unless the contract contains a purchase option that the Authority has determined is reasonably certain of being exercised. In this case, the lease asset is amortized over the useful life of the underlying asset.

East Bay Regional Communications System Authority

Notes to Basic Financial Statements

June 30, 2024

It is the intent of the Authority to follow the County’s accounting guidelines concerning the depreciation method and estimated useful life for capital assets as closely as possible. However, the P-25 compliant communication system is itself a unique asset and is accounted for accordingly. It is estimated that the system will have a useful life of 15 years, at which time technological advances in the communications industry and a lack of replacement parts will force the system into obsolescence. The first cell of the system was operational on September 1, 2012, and any additions to the system that are capitalized will have their respective useful lives end on August 31, 2027, unless it is clear that the addition will extend the life of the system.

E. Net Position

Net Investment in Capital Assets

This category of net position groups all capital assets into one component. Accumulated depreciation and the outstanding balances of debt, excluding unexpended bond proceeds, related to the acquisition, construction, or improvement of the capital assets reduce the balance in this category. The Authority had \$13,333,410 in net investment in capital assets as of June 30, 2024.

Restricted Net Position

Restricted net position are those assets, net of their related liabilities, that have constraints placed on their use by creditors, grantors, contributors, or by enabling legislation. Accordingly, restricted assets may include unspent grant revenues, certain fees and charges and restricted tax revenues. The Authority has no restricted net position as of June 30, 2024.

F. Cash Flows

A statement of cash flows is presented for proprietary fund types. Cash and cash equivalents include all unrestricted and restricted highly liquid investments with original purchase maturities of three months or less. Pooled cash and investments in the County’s Treasury represent monies in a cash management pool. Such accounts are similar in nature to demand deposits.

Note 2: Cash

As of June 30, 2024, the Authority’s cash and cash equivalents were as follows:

Cash and cash equivalents	\$	13,895,366
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Custodial Credit Risk – Deposits

The custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the Authority will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside entity. The Authority’s investment policy requires that deposits in banks must meet the requirements of the California Government Code. As required by California Government Code Section 53652, the market value of the pledged securities must equal at least 110 percent of the Authority’s deposits, with the exception of mortgage-backed securities, which must equal at least 150 percent.

County of Alameda Treasurer's Investments

The Authority is considered a voluntary participant in an external investment pool as the Authority deposits all receipts and collections, except those required to be deposited with the trustee, with the County of Alameda Treasurer.

Funds with the County Treasurer are invested pursuant to the annual investment policy established by the Treasurer and approved by the Board of Supervisors. The objectives of the policy are, in order of priority: preservation of capital, liquidity, and yield.

The policy addresses the soundness of financial institutions in which the County deposits funds, the types of investment instruments and the percentage of the portfolio, which may be invested in certain instruments, as permitted by Section 53600 et seq. of the Government Code of the State of California. Authorized instruments in which the Treasurer can invest include U.S. Treasury securities, banker's acceptances, federal, state and local government securities, commercial paper, medium-term corporate notes, negotiable certificates of deposit, local agency investment fund, California asset management program, and money market mutual funds.

Interest Rate Risk

Interest rate risk is the risk that changes in interest rate will affect the fair value of an investment. In accordance with the investment policy, the County Treasurer manages the risk exposure by limiting the weighted average maturity of its investment portfolio to not more than two years at any time. The weighted average maturity of the County Treasurer's pool at June 30, 2024 was 742 days.

Note 3: Capital and Lease Assets

The Authority began constructing the Project 25 compliant communications system in fiscal year 2008 with the goal of developing a communications system that would allow public agencies within the counties of Alameda and Contra Costa to communicate with one another. The system consists of six cells with a total 34 sites, and provides fully interoperable communications to all public agencies within the two counties. The system is also designed to offer participation to adjoining counties, as well as State and Federal agencies. As of June 30, 2013, construction of the system was complete and the system was fully operational.

The Authority financed the acquisition of equipment and recorded the equipment as capital assets with corresponding financed purchased obligation liabilities. The Authority also leased the right to use cell towers on third-party property to transmit its signals. Since these cell tower leases are granting the Authority access to a portion of the useful lives of the assets, the Authority recorded lease assets with corresponding lease liability.

East Bay Regional Communications System Authority
Notes to Basic Financial Statements
June 30, 2024

Capital asset activities of the Authority for the year ended June 30, 2024, are as follows:

	<u>Balance</u> <u>June 30, 2023</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance</u> <u>June 30, 2024</u>
Capital assets, not being depreciated:				
Construction in progress	\$ 893,220	\$ -	\$ (27,531)	\$ 865,689
Total capital assets, not being depreciated	<u>893,220</u>	<u>-</u>	<u>(27,531)</u>	<u>865,689</u>
Capital assets, being depreciated:				
Structures and improvements	2,554,131	-	-	2,554,131
Machinery and equipment	52,664,048	286,107	-	52,950,155
Software	885,687	-	-	885,687
Total capital assets, being depreciated	<u>56,103,866</u>	<u>286,107</u>	<u>-</u>	<u>56,389,973</u>
Less accumulated depreciation for:				
Structures and improvements	(1,825,422)	(174,890)	-	(2,000,312)
Machinery and equipment	(27,534,719)	(4,728,509)	-	(32,263,228)
Software	(634,189)	(60,401)	-	(694,590)
Total accumulated depreciation	<u>(29,994,330)</u>	<u>(4,963,800)</u>	<u>-</u>	<u>(34,958,130)</u>
Total capital assets, being depreciated, net	<u>26,109,536</u>	<u>(4,677,693)</u>	<u>-</u>	<u>21,431,843</u>
Capital assets, net	<u>27,002,756</u>	<u>(4,677,693)</u>	<u>(27,531)</u>	<u>22,297,532</u>
Lease assets, being amortized:				
Structures and improvements	159,872	347,782	(33,519)	474,135
Total lease assets, being amortized	<u>159,872</u>	<u>347,782</u>	<u>(33,519)</u>	<u>474,135</u>
Less accumulated amortization for:				
Structures and improvements	(127,898)	(66,752)	33,519	(161,131)
Total lease assets, being amortized, net	<u>\$ 31,974</u>	<u>\$ 281,030</u>	<u>\$ -</u>	<u>\$ 313,004</u>

Note 4: Long-Term Obligations

On April 21, 2011, the Authority issued a total of \$6,136,866 in 2011 Series A & B revenue bonds for the acquisition of the communications system in the amount of \$3,681,752 and \$2,455,114, which were acquired by Alameda County and Contra Costa County respectively. The bonds have a fixed interest rate of 4.05 percent. The bonds are payable from and secured by 100 percent of the revenues collected from Service Payments paid by its members for operating the Authority's communications system. The total debt service (principal and interest) on the Series A & B revenue bonds for the year ended June 30, 2024 amounted to \$646,390 compared to pledged revenues earned of \$1,663,920.

On June 1, 2014, the bonds converted from Capital Appreciation Bonds to Current Interest bonds. The accreted interest amount of \$325,248 for the Series A and \$216,886 for the Series B was applied to the principal balance of the loans.

East Bay Regional Communications System Authority
Notes to Basic Financial Statements
June 30, 2024

Changes in Long-Term Obligations

The changes in long-term obligations for the year ended June 30, 2024 are as follows:

Description	Beginning Balance	Increases	Decreases	Ending Balance	Amounts Due
	July 1, 2023			June 30, 2024	Within One Year
Series A	\$ 1,412,000	\$ -	\$ (332,000)	\$ 1,080,000	\$ (346,000)
Series B	940,000	-	(221,000)	719,000	(230,000)
Leases	33,519	347,782	(33,519)	347,782	(65,195)
Financed purchase obligations	8,879,200	-	(1,775,288)	7,103,912	(1,744,417)
Total	\$ 11,264,719	\$ 347,782	\$ (2,361,807)	\$ 9,250,694	\$ (2,385,612)

Annual debt service requirements to maturity for the revenue bonds, including interest payments, are as follows:

Series A

Year Ending June 30,	Principal	Interest	Total
2025	346,000	43,740	389,740
2026	360,000	29,727	389,727
2027	374,000	15,147	389,147
	<u>\$ 1,080,000</u>	<u>\$ 88,614</u>	<u>\$ 1,168,614</u>

Series B

Year Ending June 30,	Principal	Interest	Total
2025	230,000	29,120	259,120
2026	240,000	19,805	259,805
2027	249,000	10,084	259,084
	<u>\$ 719,000</u>	<u>\$ 59,009</u>	<u>\$ 778,009</u>

East Bay Regional Communications System Authority
Notes to Basic Financial Statements
June 30, 2024

Annual payments on financed acquisitions and leases, including interest payments, are as follows:

<u>Financed purchase obligations</u>			
Year Ending June 30,	Principal	Interest	Total
2025	1,744,417	126,823	1,871,240
2026	1,775,293	95,947	1,871,240
2027	1,806,716	64,524	1,871,240
2028	1,838,696	32,545	1,871,241
	<u>\$ 7,165,122</u>	<u>\$ 319,839</u>	<u>\$ 7,484,961</u>

<u>Leases</u>			
Year Ending June 30,	Principal	Interest	Total
2025	65,195	8,597	73,792
2026	69,365	6,641	76,006
2027	73,726	4,560	78,286
2028	78,286	2,349	80,635
	<u>\$ 286,572</u>	<u>\$ 22,147</u>	<u>\$ 308,719</u>

Note 5: Risk Management

The Authority is exposed to various risks of loss related to torts: theft of, damage to, and destruction of assets, errors and omissions, injuries to employees, and natural disasters. The Authority participates in the Special District Risk Management Authority's (SDRMA) property and liability insurance program for risk of loss. The program provides for coverage for bodily injury, property damage, pollution, public official and employee errors, personal liability for board members, employment practices liability, employee benefits liability, employee dishonesty coverage, auto bodily injury, auto property damage, uninsured/underinsured motorists, property coverage, and boiler and machinery coverage. The Authority's deductibles and maximum coverage as of June 30, 2024 are as follows:

Coverage Description	Deductible	Insurance Coverage
Property	\$ 1,000	\$ 1,000,000,000
Boiler and Machinery	1,000	100,000,000
Pollution	1,000	2,000,000
Cyber	1,000	Limits on File
Catastrophic Loss		1,000,000,000
Bodily Injury		5,000,000
Property Damage	500	5,000,000
Public Officials Personal	500	500,000
Employee Benefits Liability		5,000,000

East Bay Regional Communications System Authority

Notes to Basic Financial Statements

June 30, 2024

Coverage Description	Deductible	Insurance Coverage
Public Official and Employee Errors and Omissions		5,000,000
Employment Practices Liability		5,000,000
Employee Dishonesty Coverage		1,000,000
Auto Bodily Injury		5,000,000
Auto Property Damage	1,000	5,000,000
Uninsured/Underinsured Motorists		Limits on File

The Authority has had no settled claims resulting from these risks that exceeded the Authority’s insurance coverage in any of the past three years.

Note 6: Evaluation of Subsequent Events

Management has evaluated subsequent events through November 1, 2024 the date the financial statements were available to be issued. No events require adjustment or disclosure in the financial statements.

Note 7: Related-Party Transactions

All members of the Authority participate on the Authority’s Board of Directors. Two members, the County of Alameda and the County of Contra Costa, provide communications support for radio programming to the Authority’s communications system.

The County of Alameda and the County of Contra Costa bill the Authority monthly for services performed. Accounts payable as of June 30, 2024, were comprised of the following:

<u>Vendor</u>	<u>Amount</u>
County of Contra Costa	\$ 94,608
County of Alameda	151,169
Other non-related parties	120,993
	<u>\$ 366,770</u>

Members are also the users of the Authority’s communications system and pay all operating revenues associated with the Authority’s operations, which totaled \$8,316,212 for the year ended June 30, 2024. Operating revenues are reported net of allowances of \$470,440. In addition, the Authority uses the County of Alameda Treasurer’s Pool for investment management as disclosed in Note 2 above.

The Authority bills members monthly operating and service payments for access to and use of the communications system. The County of Alameda Treasurer’s Pool posts interest income at the end of each quarter with interest credited to the Authority subsequent to each quarter-end.

East Bay Regional Communications System Authority
Notes to Basic Financial Statements
June 30, 2024

Related party receivables as of June 30, 2024, were comprised of the following:

Member	Amount
Accounts Receivable:	
Alameda County Bayshore Ambulance Company	\$ 1,080
AMR (Contra Costa)	1,112,160
ATF	146,880
Bay Medic Transportation	17,360
CA Dept of Corrections (CDCR)	478,280
California State University East Bay	47,400
City of Alameda	61,800
City of Antioch	396,780
City of Benicia	198,460
City of El Cerrito	218,264
City of Hayward	435,680
City of Hercules	66,540
City of Orinda	16,200
City of Pleasant Hill	48,600
City of Pleasanton	69,520
City of Richmond	263,880
City of Richmond Fire Department	73,080
City of San Ramon	68,040
City of Union City	600
Contra Costa Community College Police Department	30
City of Pinole	9,180
Contra Costa County Fire District	4,000
Department of Corrections - OCS	4,480
Eagle Ambulance	29,700
Falcon Critical Care Transportation	77,296
Federal Reserve Bank	27,000
Hayward Area Recreation and Park District	3,240
Lawrence Berkeley National Laboratory	9,552
Lawrence Livermore Lab	14,820
Livermore Pleasanton Fire Department	72,920
Norcal Ambulance	13,416
Oakland Housing Authority	25,920
Oakland International Airport	1,480
Oakland School Police Department	18,840
Oro Loma Sanitary District	108,452
Paramedics Plus	106,280
Port of Oakland	36,060
Sonoma County Ambulance c/o Life West	3,240
Town of Danville PBWKS	4,320
Town of Danville Police	73,020
U.S. Marshals Service	10,125
United Ambulance Service	40,084
Total Accounts Receivable	4,414,059
Less: Allowance for Doubtful Accounts	(3,800,174)
Net Accounts Receivable	613,885
Other receivables	122,443
Total Receivables	\$ 736,328



**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, 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, Moraga-Orinda Fire District, Rodeo-Hercules Fire District, San Ramon Valley Fire District, University of California, Berkeley and California Department of Transportation

AGENDA ITEM NO. 5

**AGENDA STATEMENT
FINANCE COMMITTEE
MEETING DATE: NOVEMBER 22, 2024**

TO: Finance Committee
East Bay Regional Communications System Authority (EBRCSA)

FROM: David Swing, Executive Director 
East Bay Regional Communications System Authority

SUBJECT: Audited Financial Statements Presentation and Policy

RECOMMENDATIONS:

Recommend presentation of Accounts Receivable Aging summary to the Board of Directors

SUMMARY/DISCUSSION:

Newly adopted Board policy requires the presentation of the Accounts Receivable (A/R) Aging to the Board of Directors by December of each year. This report provides a summary of the current A/R Aging. The Aging is separated by outstanding invoices from the current year and prior years.

As of November 14, 2024, the total current year outstanding balance is approximately \$1,631,916 and the total of the prior years is approximately \$1,729,230.



**East Bay Regional
Communications
System Authority**




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AGENDA ITEM NO. 6

**AGENDA STATEMENT
FINANCE COMMITTEE
MEETING DATE: NOVEMBER 22, 2024**

TO: Finance Committee
East Bay Regional Communications System Authority (EBRCSA)

FROM: David Swing, Executive Director 
East Bay Regional Communications System Authority

SUBJECT: Operating and Capital Fund Balance Policy

RECOMMENDATIONS:

Recommend minimum balances for the Operating and Capital Funds

SUMMARY/DISCUSSION:

The Authority has an Operating and Capital Fund for the fiscal management of the organization. The purpose of Operating Fund is to pay for operational expenses that include personnel, system maintenance and consumable items. Current EBRCSA policy requires a minimum Operating fund balance of 50% of the operating budget. The adopted FY2023-2024 operating budget is \$3,848,000 requiring an ending fund balance of \$1,924,000. The Authority provides a specific service where the primary revenue source is from local government and special districts which lowers the risk of reduced revenue. Most municipalities have less stable sources of revenue and have a General Fund reserve fund policy at or lower than 25%. Lowering the fund balance policy to 25% will increase the Capital Fund balance by approximately \$1,000,000 which will lower the amount of future rate increases.

Similarly, the purpose of the Capital Fund is to pay for tangible items that have a useful life greater than one-year. Presently, there is no set policy for the fund balance of the Capital Fund. Staff is seeking a policy limit to plan for future rate increases to fund the Capital Infrastructure Replacement plan. The current Capital Fund balance is approximately \$12,000,000. Staff recommends a fund balance of no more than \$5,000,000. Staff has formed this recommendation

**Alameda County Office of Homeland Security and Emergency Services
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**East Bay Regional
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on the ability to fund the replacement of two radio sites should a radio site experience a catastrophic failure.

Staff is seeking a recommendation from the Finance Committee on fund balances minimums for the Operating and Capital funds to bring to the Board of Directors at the December 6, 2024 meeting.



**East Bay Regional
Communications
System Authority**

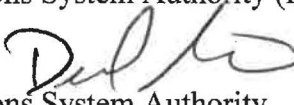


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AGENDA ITEM NO. 7

**AGENDA STATEMENT
FINANCE COMMITTEE
MEETING DATE: NOVEMBER 22, 2024**

TO: Finance Committee
East Bay Regional Communications System Authority (EBRCSA)

FROM: David Swing, Executive Director 
East Bay Regional Communications System Authority

SUBJECT: Funding Future Infrastructure Replacement

RECOMMENDATIONS:

Recommend a revised rate structure for the funding of capital infrastructure replacement

SUMMARY/DISCUSSION:

At the November 8, 2024 workshop, the Board of Directors received a report on the Capital Infrastructure Replacement Program. The EBRCSA engaged the services of CSI Telecommunications to complete an inventory of equipment that is not covered by an existing service agreement. Through this inventory and planned Motorola upgrades it is estimated the EBRCSA will need to invest \$67m in equipment replacement during the next 15 years.

The Executive Director presented three funding scenarios which included rate increases of different amounts and duration. General consensus was reached on Scenario One with a request to evaluate scenarios where those who are making service payments have their increases deferred until the Service Payments cease, similar to what is possible in Scenario One.

The Auditor's Office provided the additional scenarios which are attached to this report with the original three scenarios from the workshop. The analysis shows that the Capital Fund balance increases in each of the three scenarios even though a portion of payments for some are deferred. Even though the fund balance projection is higher than the \$5m policy, staff recommends keeping the rates as proposed to serve as a contingency fund based on the size of the project.

**Alameda County Office of Homeland Security and Emergency Services
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The Executive Director seeks a recommendation from the Finance Committee of which funding scenario to present to the Board of Directors for adoption.

Attachments:

1. Funding Scenarios

Scenario One:

- Across the board \$3.00 per unit per month increase for five years
- Results in Operating Payments of \$46 per unit per month
- Ending Capital Fund balance of \$6m in FY2038/39

EAST BAY REGIONAL COMMUNICATIONS SYSTEM AUTHORITY
15 YEAR CASH FLOW PROJECTION WITH \$3 INCREASES FOR FIRST FIVE YEARS

Operating Payment Rate	30	31	34	37	40	43	46	46	46	46	46	46	46	46	46	46
	FY 2023-24 Projected	FY 2024-25 Budget	FY 2025-26 Forecast	FY 2026-27 Forecast	FY 2027-28 Forecast	FY 2028-29 Forecast	FY 2029-30 Forecast	FY 2030-31 Forecast	FY 2031-32 Forecast	FY 2032-33 Forecast	FY 2033-34 Forecast	FY 2034-35 Forecast	FY 2035-36 Forecast	FY 2036-37 Forecast	FY 2037-38 Forecast	FY 2038-39 Forecast
Operating Reserve																
Balance - beginning	1,998,000	1,924,000	2,388,500	1,240,320	1,294,273	1,340,404	1,393,511	1,447,099	1,493,998	1,547,026	1,606,424	1,659,521	1,718,809	1,784,530	1,844,187	1,910,281
Receipts from members	7,521,000	12,064,360	8,517,960	8,971,560	10,332,360	11,088,360	11,844,360	11,844,360	11,844,360	11,844,360	11,844,360	11,844,360	11,844,360	11,844,360	11,844,360	11,844,360
Payments to suppliers	(3,848,000)	(4,777,000)	(4,961,280)	(5,177,093)	(5,361,616)	(5,574,042)	(5,788,395)	(5,975,991)	(6,188,104)	(6,425,696)	(6,638,082)	(6,875,236)	(7,138,121)	(7,376,748)	(7,641,123)	(7,932,253)
Transfer to Capital Reserve	(3,747,000)	(6,822,860)	(4,704,860)	(3,740,514)	(4,924,613)	(5,461,212)	(6,002,377)	(5,821,470)	(5,603,228)	(5,359,267)	(5,153,181)	(4,909,836)	(4,640,517)	(4,407,955)	(4,137,143)	(3,839,324)
Balance - ending	1,924,000	2,388,500	1,240,320	1,294,273	1,340,404	1,393,511	1,447,099	1,493,998	1,547,026	1,606,424	1,659,521	1,718,809	1,784,530	1,844,187	1,910,281	1,983,063
Debt Service Reserve																
Balance - beginning	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	-	-	-	-	-	-	-	-	-	-	-
Service payment	1,680,000	1,512,000	1,512,000	1,512,000	-	-	-	-	-	-	-	-	-	-	-	-
Principal	(553,000)	(585,000)	(600,000)	(623,000)	-	-	-	-	-	-	-	-	-	-	-	-
Bond interest	(97,000)	(65,000)	(50,000)	(27,000)	-	-	-	-	-	-	-	-	-	-	-	-
Transfer to Capital Reserve	(1,030,000)	(862,000)	(862,000)	(862,000)	(1,000,000)	-	-	-	-	-	-	-	-	-	-	-
Balance - ending	1,000,000	1,000,000	1,000,000	1,000,000	-	-	-	-	-	-	-	-	-	-	-	-
Capital Reserve																
Balance - beginning	11,087,000	12,096,000	13,199,860	14,089,209	14,523,337	16,215,476	19,276,650	24,944,026	23,715,696	22,269,124	20,566,591	18,657,972	16,506,007	14,248,724	11,758,880	8,998,223
Transfer In	4,777,000	7,684,860	5,566,860	4,602,514	5,924,613	5,461,212	6,002,377	5,821,470	5,603,228	5,359,267	5,153,181	4,909,836	4,640,517	4,407,955	4,137,143	3,839,324
Capital	(3,768,000)	(6,581,000)	(4,677,511)	(4,168,386)	(4,232,474)	(2,400,038)	(335,000)	(7,049,800)	(7,049,800)	(7,061,800)	(7,061,800)	(7,061,800)	(6,897,800)	(6,897,800)	(6,897,800)	(6,897,800)
Balance - ending	12,096,000	13,199,860	14,089,209	14,523,337	16,215,476	19,276,650	24,944,026	23,715,696	22,269,124	20,566,591	18,657,972	16,506,007	14,248,724	11,758,880	8,998,223	5,939,747
TOTAL RESERVE BALANCE	15,020,000	16,588,360	16,329,529	16,817,610	17,555,880	20,670,160	26,391,125	25,209,694	23,816,150	22,173,015	20,317,492	18,224,816	16,033,255	13,603,067	10,908,504	7,922,811

Scenario One (B):

- Across the board \$3.00 per unit per month increase for five years
- Results in Operating Payments of \$46 per unit per month
- Ending Capital Fund balance of \$6.8m in FY2038/39
- Shows Agencies with Service Payments deferred until 2027/28

**EAST BAY REGIONAL COMMUNICATIONS SYSTEM AUTHORITY
15 YEAR CASH FLOW PROJECTION WITH \$3 INCREASES FOR FIRST FIVE YEARS**

Operating Payment Rate	30	31	34	37	40	43	46	46	46	46	46	46	46	46	46	46
	FY 2023-24 Projected	FY 2024-25 Budget	FY 2025-26 Forecast	FY 2026-27 Forecast	FY 2027-28 Forecast	FY 2028-29 Forecast	FY 2029-30 Forecast	FY 2030-31 Forecast	FY 2031-32 Forecast	FY 2032-33 Forecast	FY 2033-34 Forecast	FY 2034-35 Forecast	FY 2035-36 Forecast	FY 2036-37 Forecast	FY 2037-38 Forecast	FY 2038-39 Forecast
Operating Reserve																
Balance - beginning	1,998,000	1,924,000	2,388,500	1,240,320	1,294,273	1,340,404	1,393,511	1,447,099	1,493,998	1,547,026	1,606,424	1,659,521	1,718,809	1,784,530	1,844,187	1,910,281
Receipts from members	7,521,000	12,064,360	8,517,960	8,971,560	10,937,160	11,390,760	11,844,360	11,844,360	11,844,360	11,844,360	11,844,360	11,844,360	11,844,360	11,844,360	11,844,360	11,844,360
Payments to suppliers	(3,848,000)	(4,777,000)	(4,961,280)	(5,177,093)	(5,361,616)	(5,574,042)	(5,788,395)	(5,975,991)	(6,188,104)	(6,425,696)	(6,638,082)	(6,875,236)	(7,138,121)	(7,376,748)	(7,641,123)	(7,932,253)
Transfer to Capital Reserve	(3,747,000)	(6,822,860)	(4,704,860)	(3,740,514)	(5,529,413)	(5,763,612)	(6,002,377)	(5,821,470)	(5,603,228)	(5,359,267)	(5,153,181)	(4,909,836)	(4,640,517)	(4,407,955)	(4,137,143)	(3,839,324)
Balance - ending	1,924,000	2,388,500	1,240,320	1,294,273	1,340,404	1,393,511	1,447,099	1,493,998	1,547,026	1,606,424	1,659,521	1,718,809	1,784,530	1,844,187	1,910,281	1,983,063
Debt Service Reserve																
Balance - beginning	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	-	-	-	-	-	-	-	-	-	-	-
Service payment	1,680,000	1,512,000	1,512,000	1,512,000	-	-	-	-	-	-	-	-	-	-	-	-
Principal	(553,000)	(585,000)	(600,000)	(623,000)	-	-	-	-	-	-	-	-	-	-	-	-
Bond interest	(97,000)	(65,000)	(50,000)	(27,000)	-	-	-	-	-	-	-	-	-	-	-	-
Transfer to Capital Reserve	(1,030,000)	(862,000)	(862,000)	(862,000)	(1,000,000)	-	-	-	-	-	-	-	-	-	-	-
Balance - ending	1,000,000	1,000,000	1,000,000	1,000,000	-	-	-	-	-	-	-	-	-	-	-	-
Capital Reserve																
Balance - beginning	11,087,000	12,096,000	13,199,860	14,089,209	14,523,337	16,820,276	20,183,850	25,851,226	24,622,896	23,176,324	21,473,791	19,565,172	17,413,207	15,155,924	12,666,080	9,905,423
Transfer In	4,777,000	7,684,860	5,566,860	4,602,514	6,529,413	5,763,612	6,002,377	5,821,470	5,603,228	5,359,267	5,153,181	4,909,836	4,640,517	4,407,955	4,137,143	3,839,324
Capital	(3,768,000)	(6,581,000)	(4,677,511)	(4,168,386)	(4,232,474)	(2,400,038)	(335,000)	(7,049,800)	(7,049,800)	(7,061,800)	(7,061,800)	(7,061,800)	(6,897,800)	(6,897,800)	(6,897,800)	(6,897,800)
Balance - ending	12,096,000	13,199,860	14,089,209	14,523,337	16,820,276	20,183,850	25,851,226	24,622,896	23,176,324	21,473,791	19,565,172	17,413,207	15,155,924	12,666,080	9,905,423	6,846,947
TOTAL RESERVE BALANCE	15,020,000	16,588,360	16,329,529	16,817,610	18,160,680	21,577,360	27,298,325	26,116,894	24,723,350	23,080,215	21,224,692	19,132,016	16,940,455	14,510,267	11,815,704	8,830,011

Scenario Two:

- One dollar per unit per month in FY2025/26, two dollars starting in 2026/27 capping at \$50 in FY2034/35
- Ending Capital fund balance of \$5m
- Capital fund balance of \$10m requires rates to rise to \$58/month

**EAST BAY REGIONAL COMMUNICATIONS SYSTEM AUTHORITY
15 YEAR CASH FLOW PROJECTION WITH \$2 INCREASES**

Operating Payment Rate	30	31	32	34	36	38	40	42	44	46	48	50	50	50	50	50
Operating Reserve	FY 2023-24 Projected	FY 2024-25 Budget	FY 2025-26 Forecast	FY 2026-27 Forecast	FY 2027-28 Forecast	FY 2028-29 Forecast	FY 2029-30 Forecast	FY 2030-31 Forecast	FY 2031-32 Forecast	FY 2032-33 Forecast	FY 2033-34 Forecast	FY 2034-35 Forecast	FY 2035-36 Forecast	FY 2036-37 Forecast	FY 2037-38 Forecast	FY 2038-39 Forecast
Balance - beginning	1,998,000	1,924,000	2,388,500	1,240,320	1,294,273	1,340,404	1,393,511	1,447,099	1,493,998	1,547,026	1,606,424	1,659,521	1,718,809	1,784,530	1,844,187	1,910,281
Receipts from members	7,521,000	12,064,360	8,013,960	8,215,560	9,324,360	9,828,360	10,332,360	10,836,360	11,340,360	11,844,360	12,348,360	12,852,360	12,852,360	12,852,360	12,852,360	12,852,360
Payments to suppliers	(3,848,000)	(4,777,000)	(4,961,280)	(5,177,093)	(5,361,616)	(5,574,042)	(5,788,395)	(5,975,991)	(6,188,104)	(6,425,696)	(6,638,082)	(6,875,236)	(7,138,121)	(7,376,748)	(7,641,123)	(7,932,253)
Transfer to Capital Reserve	(3,747,000)	(6,822,860)	(4,200,860)	(2,984,514)	(3,916,613)	(4,201,212)	(4,490,377)	(4,813,470)	(5,099,228)	(5,359,267)	(5,657,181)	(5,917,836)	(5,648,517)	(5,415,955)	(5,145,143)	(4,847,324)
Balance - ending	1,924,000	2,388,500	1,240,320	1,294,273	1,340,404	1,393,511	1,447,099	1,493,998	1,547,026	1,606,424	1,659,521	1,718,809	1,784,530	1,844,187	1,910,281	1,983,063
Debt Service Reserve																
Balance - beginning	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	-	-	-	-	-	-	-	-	-	-	-
Service payment	1,680,000	1,512,000	1,512,000	1,512,000	-	-	-	-	-	-	-	-	-	-	-	-
Principal	(553,000)	(585,000)	(600,000)	(623,000)	-	-	-	-	-	-	-	-	-	-	-	-
Bond interest	(97,000)	(65,000)	(50,000)	(27,000)	-	-	-	-	-	-	-	-	-	-	-	-
Transfer to Capital Reserve	(1,030,000)	(862,000)	(862,000)	(862,000)	(1,000,000)	-	-	-	-	-	-	-	-	-	-	-
Balance - ending	1,000,000	1,000,000	1,000,000	1,000,000	-	-	-	-	-	-	-	-	-	-	-	-
Capital Reserve																
Balance - beginning	11,087,000	12,096,000	13,199,860	13,585,209	13,263,337	13,947,476	15,748,650	19,904,026	17,667,696	15,717,124	14,014,591	12,609,972	11,466,007	10,216,724	8,734,880	6,982,223
Transfer In	4,777,000	7,684,860	5,062,860	3,846,514	4,916,613	4,201,212	4,490,377	4,813,470	5,099,228	5,359,267	5,657,181	5,917,836	5,648,517	5,415,955	5,145,143	4,847,324
Capital	(3,768,000)	(6,581,000)	(4,677,511)	(4,168,386)	(4,232,474)	(2,400,038)	(335,000)	(7,049,800)	(7,049,800)	(7,061,800)	(7,061,800)	(7,061,800)	(6,897,800)	(6,897,800)	(6,897,800)	(6,897,800)
Balance - ending	12,096,000	13,199,860	13,585,209	13,263,337	13,947,476	15,748,650	19,904,026	17,667,696	15,717,124	14,014,591	12,609,972	11,466,007	10,216,724	8,734,880	6,982,223	4,931,747
TOTAL RESERVE BALANCE	15,020,000	16,588,360	15,825,529	15,557,610	15,287,880	17,142,160	21,351,125	19,161,694	17,264,150	15,621,015	14,269,492	13,184,816	12,001,255	10,579,067	8,892,504	6,914,811

Scenario Two (B)

- One dollar per unit per month in FY2025/26, two dollars starting in 2026/27 capping at \$58 in FY2038/39
- Capital fund balance of \$5.4m in FY2038/39
- Agencies with Service Payments are deferred until FY2027/28

**EAST BAY REGIONAL COMMUNICATIONS SYSTEM AUTHORITY
15 YEAR CASH FLOW PROJECTION WITH \$2 INCREASES**

Operating Payment Rate	30	31	32	34	36	38	40	42	44	46	48	48	48	48	48	48
Operating Reserve	FY 2023-24 Projected	FY 2024-25 Budget	FY 2025-26 Forecast	FY 2026-27 Forecast	FY 2027-28 Forecast	FY 2028-29 Forecast	FY 2029-30 Forecast	FY 2030-31 Forecast	FY 2031-32 Forecast	FY 2032-33 Forecast	FY 2033-34 Forecast	FY 2034-35 Forecast	FY 2035-36 Forecast	FY 2036-37 Forecast	FY 2037-38 Forecast	FY 2038-39 Forecast
Balance - beginning	1,998,000	1,924,000	2,388,500	1,240,320	1,294,273	1,340,404	1,393,511	1,447,099	1,493,998	1,547,026	1,606,424	1,659,521	1,718,809	1,784,530	1,844,187	1,910,281
Receipts from members	7,521,000	12,064,360	8,013,960	8,215,560	10,332,360	10,634,760	10,937,160	11,239,560	11,541,960	11,844,360	12,348,360	12,348,360	12,348,360	12,348,360	12,348,360	12,348,360
Payments to suppliers	(3,848,000)	(4,777,000)	(4,961,280)	(5,177,093)	(5,361,616)	(5,574,042)	(5,788,395)	(5,975,991)	(6,188,104)	(6,425,696)	(6,638,082)	(6,875,236)	(7,138,121)	(7,376,748)	(7,641,123)	(7,932,253)
Transfer to Capital Reserve	(3,747,000)	(6,822,860)	(4,200,860)	(2,984,514)	(4,924,613)	(5,007,612)	(5,095,177)	(5,216,670)	(5,300,828)	(5,359,267)	(5,657,181)	(5,413,836)	(5,144,517)	(4,911,955)	(4,641,143)	(4,343,324)
Balance - ending	1,924,000	2,388,500	1,240,320	1,294,273	1,340,404	1,393,511	1,447,099	1,493,998	1,547,026	1,606,424	1,659,521	1,718,809	1,784,530	1,844,187	1,910,281	1,983,063
Debt Service Reserve																
Balance - beginning	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	-	-	-	-	-	-	-	-	-	-	-
Service payment	1,680,000	1,512,000	1,512,000	1,512,000	-	-	-	-	-	-	-	-	-	-	-	-
Principal	(553,000)	(585,000)	(600,000)	(623,000)	-	-	-	-	-	-	-	-	-	-	-	-
Bond interest	(97,000)	(65,000)	(50,000)	(27,000)	-	-	-	-	-	-	-	-	-	-	-	-
Transfer to Capital Reserve	(1,030,000)	(862,000)	(862,000)	(862,000)	(1,000,000)	-	-	-	-	-	-	-	-	-	-	-
Balance - ending	1,000,000	1,000,000	1,000,000	1,000,000	-	-	-	-	-	-	-	-	-	-	-	-
Capital Reserve																
Balance - beginning	11,087,000	12,096,000	13,199,860	13,585,209	13,263,337	14,955,476	17,563,050	22,323,226	20,490,096	18,741,124	17,038,591	15,633,972	13,986,007	12,232,724	10,246,880	7,990,223
Transfer in	4,777,000	7,684,860	5,062,860	3,846,514	5,924,613	5,007,612	5,095,177	5,216,670	5,300,828	5,359,267	5,657,181	5,413,836	5,144,517	4,911,955	4,641,143	4,343,324
Capital	(3,768,000)	(6,581,000)	(4,677,511)	(4,168,386)	(4,232,474)	(2,400,038)	(335,000)	(7,049,800)	(7,049,800)	(7,061,800)	(7,061,800)	(7,061,800)	(6,897,800)	(6,897,800)	(6,897,800)	(6,897,800)
Balance - ending	12,096,000	13,199,860	13,585,209	13,263,337	14,955,476	17,563,050	22,323,226	20,490,096	18,741,124	17,038,591	15,633,972	13,986,007	12,232,724	10,246,880	7,990,223	5,435,747
TOTAL RESERVE BALANCE	15,020,000	16,588,360	15,825,529	15,557,610	16,295,880	18,956,560	23,770,325	21,984,094	20,288,150	18,645,015	17,293,492	15,704,816	14,017,255	12,091,067	9,900,504	7,418,811

Scenario Three:

- Annual one dollar per unit per month until FY2029/30 then two dollars per unit per month until FY2034/35 then four dollars capping at \$60 in FY2037/38
- Ending Capital fund balance of \$5m

EAST BAY REGIONAL COMMUNICATIONS SYSTEM AUTHORITY

15 YEAR CASH FLOW PROJECTION WITH \$1 INCREASES FOR THE FIRST FIVE YEARS, \$2 INCREASES FOR THE NEXT FOUR YEARS, \$4 INCREASES SUBSEQUENTLY

Operating Payment Rate	30	31	32	33	34	35	36	38	40	42	44	48	52	56	60	60
	FY 2023-24 Projected	FY 2024-25 Budget	FY 2025-26 Forecast	FY 2026-27 Forecast	FY 2027-28 Forecast	FY 2028-29 Forecast	FY 2029-30 Forecast	FY 2030-31 Forecast	FY 2031-32 Forecast	FY 2032-33 Forecast	FY 2033-34 Forecast	FY 2034-35 Forecast	FY 2035-36 Forecast	FY 2036-37 Forecast	FY 2037-38 Forecast	FY 2038-39 Forecast
Operating Reserve																
Balance - beginning	1,998,000	1,924,000	2,388,500	1,240,320	1,294,273	1,340,404	1,393,511	1,447,099	1,493,998	1,547,026	1,606,424	1,659,521	1,718,809	1,784,530	1,844,187	1,910,281
Receipts from members	7,521,000	12,064,360	8,013,960	7,963,560	8,820,360	9,072,360	9,324,360	9,828,360	10,332,360	10,836,360	11,340,360	12,348,360	13,356,360	14,364,360	15,372,360	15,372,360
Payments to suppliers	(3,848,000)	(4,777,000)	(4,961,280)	(5,177,093)	(5,361,616)	(5,574,042)	(5,788,395)	(5,975,991)	(6,188,104)	(6,425,696)	(6,638,082)	(6,875,236)	(7,138,121)	(7,376,748)	(7,641,123)	(7,932,253)
Transfer to Capital Reserve	(3,747,000)	(6,822,860)	(4,200,860)	(2,732,514)	(3,412,613)	(3,445,212)	(3,482,377)	(3,805,470)	(4,091,228)	(4,351,267)	(4,649,181)	(5,413,836)	(6,152,517)	(6,927,955)	(7,665,143)	(7,367,324)
Balance - ending	1,924,000	2,388,500	1,240,320	1,294,273	1,340,404	1,393,511	1,447,099	1,493,998	1,547,026	1,606,424	1,659,521	1,718,809	1,784,530	1,844,187	1,910,281	1,983,063
Debt Service Reserve																
Balance - beginning	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	-	-	-	-	-	-	-	-	-	-	-
Service payment	1,680,000	1,512,000	1,512,000	1,512,000	-	-	-	-	-	-	-	-	-	-	-	-
Principal	(553,000)	(585,000)	(600,000)	(623,000)	-	-	-	-	-	-	-	-	-	-	-	-
Bond interest	(97,000)	(65,000)	(50,000)	(27,000)	-	-	-	-	-	-	-	-	-	-	-	-
Transfer to Capital Reserve	(1,030,000)	(862,000)	(862,000)	(862,000)	(1,000,000)	-	-	-	-	-	-	-	-	-	-	-
Balance - ending	1,000,000	1,000,000	1,000,000	1,000,000	-	-	-	-	-	-	-	-	-	-	-	-
Capital Reserve																
Balance - beginning	11,087,000	12,096,000	13,199,860	13,585,209	13,011,337	13,191,476	14,236,650	17,384,026	14,139,696	11,181,124	8,470,591	6,057,972	4,410,007	3,664,724	3,694,880	4,462,223
Transfer In	4,777,000	7,684,860	5,062,860	3,594,514	4,412,613	3,445,212	3,482,377	3,805,470	4,091,228	4,351,267	4,649,181	5,413,836	6,152,517	6,927,955	7,665,143	7,367,324
Capital	(3,768,000)	(6,581,000)	(4,677,511)	(4,168,386)	(4,232,474)	(2,400,038)	(335,000)	(7,049,800)	(7,049,800)	(7,061,800)	(7,061,800)	(7,061,800)	(6,897,800)	(6,897,800)	(6,897,800)	(6,897,800)
Balance - ending	12,096,000	13,199,860	13,585,209	13,011,337	13,191,476	14,236,650	17,384,026	14,139,696	11,181,124	8,470,591	6,057,972	4,410,007	3,664,724	3,694,880	4,462,223	4,931,747
TOTAL RESERVE BALANCE	15,020,000	16,588,360	15,825,529	15,305,610	14,531,880	15,630,160	18,831,125	15,633,694	12,728,150	10,077,015	7,717,492	6,128,816	5,449,255	5,539,067	6,372,504	6,914,811

Scenario Three (B):

- Annual one dollar per unit per month until FY2029/30 then two dollars per unit per month until FY2034/35 then four dollars capping at \$60 in FY2037/38
- Ending Capital fund balance of \$5m
- Agencies with Service Payments are deferred until FY2027/28

EAST BAY REGIONAL COMMUNICATIONS SYSTEM AUTHORITY

15 YEAR CASH FLOW PROJECTION WITH \$1 INCREASES FOR THE FIRST FIVE YEARS, \$2 INCREASES FOR THE NEXT SIX YEARS, \$4 INCREASES SUBSEQUENTLY

Operating Payment Rate	30	31	32	33	34	35	36	38	40	42	44	46	48	52	56	56
Operating Reserve	FY 2023-24 Projected	FY 2024-25 Budget	FY 2025-26 Forecast	FY 2026-27 Forecast	FY 2027-28 Forecast	FY 2028-29 Forecast	FY 2029-30 Forecast	FY 2030-31 Forecast	FY 2031-32 Forecast	FY 2032-33 Forecast	FY 2033-34 Forecast	FY 2034-35 Forecast	FY 2035-36 Forecast	FY 2036-37 Forecast	FY 2037-38 Forecast	FY 2038-39 Forecast
Balance - beginning	1,998,000	1,924,000	2,388,500	1,240,320	1,294,273	1,340,404	1,393,511	1,447,099	1,493,998	1,547,026	1,606,424	1,659,521	1,718,809	1,784,530	1,844,187	1,910,281
Receipts from members	7,521,000	12,064,360	8,013,960	7,963,560	10,029,960	10,181,160	10,332,360	10,634,760	10,937,160	11,239,560	11,541,960	11,844,360	12,348,360	13,356,360	14,364,360	14,364,360
Payments to suppliers	(3,848,000)	(4,777,000)	(4,961,280)	(5,177,093)	(5,361,616)	(5,574,042)	(5,788,395)	(5,975,991)	(6,188,104)	(6,425,696)	(6,638,082)	(6,875,236)	(7,138,121)	(7,376,748)	(7,641,123)	(7,932,253)
Transfer to Capital Reserve	(3,747,000)	(6,822,860)	(4,200,860)	(2,732,514)	(4,622,213)	(4,554,012)	(4,490,377)	(4,611,870)	(4,696,028)	(4,754,467)	(4,850,781)	(4,909,836)	(5,144,517)	(5,919,955)	(6,657,143)	(6,359,324)
Balance - ending	1,924,000	2,388,500	1,240,320	1,294,273	1,340,404	1,393,511	1,447,099	1,493,998	1,547,026	1,606,424	1,659,521	1,718,809	1,784,530	1,844,187	1,910,281	1,983,063
Debt Service Reserve																
Balance - beginning	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	-	-	-	-	-	-	-	-	-	-	-
Service payment	1,680,000	1,512,000	1,512,000	1,512,000	-	-	-	-	-	-	-	-	-	-	-	-
Principal	(553,000)	(585,000)	(600,000)	(623,000)	-	-	-	-	-	-	-	-	-	-	-	-
Bond interest	(97,000)	(65,000)	(50,000)	(27,000)	-	-	-	-	-	-	-	-	-	-	-	-
Transfer to Capital Reserve	(1,030,000)	(862,000)	(862,000)	(862,000)	(1,000,000)	-	-	-	-	-	-	-	-	-	-	-
Balance - ending	1,000,000	1,000,000	1,000,000	1,000,000	-	-	-	-	-	-	-	-	-	-	-	-
Capital Reserve																
Balance - beginning	11,087,000	12,096,000	13,199,860	13,585,209	13,011,337	14,401,076	16,555,050	20,710,426	18,272,496	15,918,724	13,611,391	11,400,372	9,248,407	7,495,124	6,517,280	6,276,623
Transfer in	4,777,000	7,684,860	5,062,860	3,594,514	5,622,213	4,554,012	4,490,377	4,611,870	4,696,028	4,754,467	4,850,781	4,909,836	5,144,517	5,919,955	6,657,143	6,359,324
Capital	(3,768,000)	(6,581,000)	(4,677,511)	(4,168,386)	(4,232,474)	(2,400,038)	(335,000)	(7,049,800)	(7,049,800)	(7,061,800)	(7,061,800)	(7,061,800)	(6,897,800)	(6,897,800)	(6,897,800)	(6,897,800)
Balance - ending	12,096,000	13,199,860	13,585,209	13,011,337	14,401,076	16,555,050	20,710,426	18,272,496	15,918,724	13,611,391	11,400,372	9,248,407	7,495,124	6,517,280	6,276,623	5,738,147
TOTAL RESERVE BALANCE	15,020,000	16,588,360	15,825,529	15,305,610	15,741,480	17,948,560	22,157,525	19,766,494	17,465,750	15,217,815	13,059,892	10,967,216	9,279,655	8,361,467	8,186,904	7,721,211



**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, 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, Moraga-Orinda Fire District, Rodeo-Hercules Fire District, San Ramon Valley Fire District, University of California, Berkeley and California Department of Transportation

AGENDA ITEM NO. 8

**AGENDA STATEMENT
FINANCE COMMITTEE
MEETING DATE: NOVEMBER 22, 2024**

TO: Finance Committee
East Bay Regional Communications System Authority (EBRCSA)

FROM: David Swing, Executive Director 
East Bay Regional Communications System Authority

SUBJECT: Provide Direction for Billing Consistency

RECOMMENDATIONS:

Provide a recommendation for billing consistency for all EBRCSA accounts

SUMMARY/DISCUSSION:

During the annual audit of the EBRCSA, the auditor found a discrepancy in the billing for the City of Oakland. Further research revealed a letter of agreement dated June, 2015, between the City of Oakland and the Authority authored by the Executive Director. The letter of agreement provided for a reduced rate of Operating Payments and Service Payments. As a result, the City of Oakland pays \$28, instead of \$31, in Operating Payments for their 3,165 subscriber units. In FY2024/25, Service Payments were charged at the full rate even though the letter provides for an additional \$4.00 monthly discount. There is no record of the Board of Directors authorizing the reduction of price. The current value of the pricing discount is \$113,940 in annual subscriber fees for Operating Payments. The City of Oakland hosts radio infrastructure at no cost to the Authority.

The Executive Director seeks a recommendation from the Finance Committee to either align pricing with the current rate structure or honor the side letter and discount Service Payments in addition to Operating Payments.

Attachments:

1. Letter of Agreement dated June 17, 2015

**Alameda County Office of Homeland Security and Emergency Services
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**East Bay Regional
Communications
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June 17, 2015

John Flores, Interim City Administrator
City of Oakland
1 Frank H. Ogawa Plaza
Oakland, CA 94612

Subject: East Bay Regional Communications System Authority (EBRCSA)
Subscriber Fees

Dear Mr. Flores:

The EBRCSA system is now in full operation and as required by the Operating Agreement, the Authority will notify the User of the amount of the required User Payment. Listed below is the amount per radio your agency will be required to pay when your radios become operational on the system.

Operations and Maintenance fee \$22 per month per radio
Debt Service fee \$11 per month per radio
Total Due \$33 per month per radio

We are pleased to be able to provide your agency with a state of the art regional communications system. If you have any questions please feel free to contact me at (925) 803-7802 or by email at tmccarthy@acgov.org.

Again thank you for your support of the EBRCSA system

A handwritten signature in blue ink that reads "Tom McCarthy".

Tom McCarthy, Executive Director
East Bay Regional Communication system Authority



**East Bay Regional
Communications
System Authority**




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AGENDA ITEM NO. 9

**AGENDA STATEMENT
FINANCE COMMITTEE
MEETING DATE: NOVEMBER 22, 2024**

TO: Finance Committee
East Bay Regional Communications System Authority (EBRCSA)

FROM: David Swing, Executive Director 
East Bay Regional Communications System Authority

SUBJECT: Member Agency Tower Lease Policy

RECOMMENDATIONS:

Recommend policy direction for the use of radio towers owned or operated by member agencies

SUMMARY/DISCUSSION: During the development of a new neighborhood in San Ramon, the developer, Lennar Homes, paid for the construction of a 100’ radio tower. The tower and relevant equipment are owned by the SRVFPD. The tower is placed on property owned by the Wiedemann Family Trust (Trust). The terms of the existing ground lease are paid through 2032 which includes utilities, property tax and other ancillary expenses. Once the pre-paid portion expires in 2032, the SRVFPD will pay the Trust an annual fee of \$15,000 with a 3% escalator.

The EBRCSA currently leases space on other radio towers to include towers owned by the East Bay Municipal Utilities District, Waste Management and the County of Alameda. The general terms of each lease are as indicated below:

- EBMUD \$17,910.78 per site for the period 1/1/24-12/31/24. The contract indicates there is a base rate adjustment of 3% annually starting 1/1/25 through the end of the contract December 31, 2028. EBRCSA is responsible for shelters and equipment.
- Waste Management Authority \$3,567.05 for Patterson Pass communication tower rent. EBRCSA is responsible for generator and shelters.
- County of Alameda \$84,435 for FY23-24. (\$14,072 per site) – this includes generator and site maintenance.
- Private retail quotes for Walton Ln ranged from \$14,400 to \$32,600.

**Alameda County Office of Homeland Security and Emergency Services
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**East Bay Regional
Communications
System Authority**



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In addition to the aforementioned leases the Authority also has radio assets on other government owned towers where the member agency does not charge a fee. The Executive Director is seeking a recommendation from the Finance Committee for policy direction on the charging for tower usage by member agencies.



**East Bay Regional
Communications
System Authority**



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AGENDA ITEM NO. 10

**AGENDA STATEMENT
FINANCE COMMITTEE
MEETING DATE: NOVEMBER 22, 2024**

TO: Finance Committee
East Bay Regional Communications System Authority (EBRCSA)

FROM: Paige Meyer, Finance Committee Chair
East Bay Regional Communications System Authority

SUBJECT: Executive Director Compensation

RECOMMENDATIONS:

Discuss the performance of the Executive Director and recommend revised compensation

SUMMARY/DISCUSSION:

While most personnel reviews occur on or after one year of employment, several Board members have or will transition off the Board of Directors in December making it more challenging for new members to assess the Executive Director's recent contributions and compensation.

In addition to other milestone achievements, such as preparing the Capital Infrastructure Plan, the Executive Director recovered over \$4m in outstanding receivables and initiated a radio purchase agreement for members that will save an additional 11% on radio purchases.

The average annual compensation of the prior Executive Director was approximately \$255,000. Additionally, the compensation of the Executive Director of the Silicon Valley Radio Interoperability Authority (SVRIA) in Santa Clara County is \$268,960. SVRIA is a single county system that is one-half the size of the EBRCSA. The Committee Chair and a Committee member propose the following revised compensation package for the Executive Director:

**Alameda County Office of Homeland Security and Emergency Services
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**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, Livemore, Martinez, Moraga, Newark, 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, Moraga-Orinda Fire District, Rodeo-Hercules Fire District, San Ramon Valley Fire District, University of California, Berkeley and California Department of Transportation

Terms:

Executive Director shall be compensated a monthly fee of \$22,500 for an annual fee of \$270,000. The Board Chair and Vice-Chair will meet with the Executive Director annually to assess the Executive Director's performance and evaluate compensation.

No budget amendment is required for this change as sufficient funds exist in the FY2024/25 budget for this increase and the Executive Director has identified other cost savings or revenue generation for future years. If the Finance Committee recommends the revised compensation package, an updated contract will be presented to the Board of Directors at the December 6, 2024 meeting.