

**BayRICS Authority**  
**STAFF REPORT**

**DATE:** Thursday, January 10, 2019  
**TO:** BayRICS Board of Directors  
**FROM:** Corey Reynolds, General Manager  
**SUBJECT:** Item 6 – Amending BayRICS Authority Agreement

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**I. Background**

At the June 14, 2018, BayRICS Board meeting, the Board approved the FY 2018-2019 budget, which reflected a deficit of \$4,723, requiring a draw on the Authority’s reserve funds<sup>1</sup>. As such, the Board directed staff to develop a three-year budget projection along with a set of options for increasing the Authority’s revenues while decreasing its reliance on grant funding for operational expenses.

At the October 11, 2018, meeting, staff presented budget projections under four different scenario options, and provided a brief analysis of impacts on the Authority’s annual surplus or deficit, its reserve fund, and any necessary changes to its agreement and bylaws. The Board directed staff to outline a process for amending the Authority’s agreement in order to determine a path forward.

**II. Overview of Scenarios**

The following scenario options were considered by the Board in the October 11 meeting:

1. Status Quo: This option keeps member fees at \$7,000/year for the 12 current Authority members. It assumes continued grant support for operational expenses, and leads to a deficit requiring an annual draw on reserves of up to \$10,000.
2. Increase Member Fees: This option reflects an increase of member fees from \$7,000 to \$10,000 annually, and maintains the Authority’s current membership. It allows for a 44% decrease in reliance on grant funding, but does not totally eliminate the Authority’s need for grant funds to support its operations.
3. Increase Number of Paying Authority Members: This option increases the number of paying Authority members from 12 to 16, and maintains member fees at the current \$7,000/year. It allows the Authority to realize a small surplus each year, but only a slight reduction in reliance on grant support.
4. Increase Member Fees and Increase Number of Paying Authority Members: This option combines Options 2 and 3, increasing member fees to \$10,000/year and increasing the number of Authority members to 15. It eliminates the Authority’s reliance on grant funding for operational expenses after FY 2019-2020.

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<sup>1</sup> With this deficit, reserve fund balance at the start of FY 2019–2020 is projected to be \$265,102.

Options 3 and 4 require changes to the Authority's agreement. As such, the Board voted to continue the status quo (option 1) until there was more understanding regarding the process necessary to modify the Authority's agreement.

### **III. Amending the JPA Agreement**

As discussed in the October 11, 2018, meeting, making changes to the Authority's Joint Powers Agreement is complex and cumbersome. Section 7.02 states that the agreement "may be amended upon a two-thirds supermajority vote of the Members and a unanimous vote of the Board and execution of such amendment by each of the Members approving such amendment and each of the Members seated on the Board." Section 4.02 of the Authority's bylaws outlines the process for conducting a vote of the general membership, stating that a ballot, approved by the Board, be sent to each Member. However, the Board may, by majority vote, revise this process for any General Membership vote.

Given the above, the following process may be considered:

- April 2019: Board discusses and approves a draft revised Agreement
- April 2019: Board determines process for General Membership vote<sup>2</sup>
- July 2019: Board approves ballot, ballot sent to General Membership
- July-October 2019: General Membership vote
- October 2019: If General Membership vote is successful, full Board votes on revised Agreement (Note: this meeting will require a unanimous vote of the full Board)
- October-December 2019: General Membership execution of amended agreement

### **IV. Possible Amendments to JPA Agreement**

#### *Administrative*

The Board and General Membership may first consider amending the agreement to ease the burden of making amendments to the agreement, for example, removing the unanimous vote requirement and/or the two-thirds supermajority vote of General Membership.

#### *Membership*

A major driver of engaging in this process is gaining the ability to add additional members to the Authority. Per section 2.01 of the current agreement, the following jurisdictions are eligible to become BayRICS members, but have not to date:

- Napa County
- Santa Cruz County
- Solano County
- "West Bay Cities"
- "North Bay Cities"

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<sup>2</sup> Per section 2.02(j) of the agreement: "Each Appointing Authority shall authorize its Director and Alternate Director to take all actions necessary to conduct the business required by the Authority in a timely manner."

- Seat at Large

Any of these jurisdictions can become members without a modification to the charter. However, section 5.01(b) of the agreement calls for the Board to set a membership fee of no less than \$24,500 in order to join the Authority. This provision would require amendment in order to entice new members.

Adding jurisdictions not listed above (e.g., Monterey County or Sacramento-area jurisdictions) may require amendment to section 1.02 noting geographic boundaries of the members and to 2.01 in order for those jurisdictions to hold a Board seat.

### *Mission*

Since the execution of the original agreement in 2011, the public safety communications landscape—and therefore BayRICS’ mission—has evolved. The Board may consider, in an amended agreement:

- Removing references to the development and establishment of a wireless broadband system for public access, and the associated systems funding plan
- Removing references to the establishment and management of BayLOOP
- Introducing language solidifying BayRICS’ role in promoting interoperability and regional coordination of both land-mobile radio and public safety broadband networks