

MARIN EMERGENCY RADIO AUTHORITY

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DATE: July 10, 2013
TO: MERA Project Oversight Committee
FROM: Tom Gaffney, Finance Committee Vice Chair
Maureen Cassingham, Executive Officer
SUBJECT: AGENDA ITEM **C-3**: REPORT ON CURRENT AND FUTURE BOND TERMS

Recommended Action: Receive and file Report on Current and Future Bond Terms and recommend MERA Governing Board action on the use of the current Bond Reserve at the December 11, 2013 meeting.

Background: The final member Debt Service payments for MERA's 2010 Refunding Revenue Bonds will be collected by Trustee Bank of New York Mellon in August 2020.

The MERA Governing Board will need to determine how the Bond Reserve will be used prior to the retirement of the Bonds. The Reserve is currently approximately \$1.7M. However, each year the Trustee recalculates this amount, which is 10% of the amount of the outstanding bonds, and returns to MERA any difference.

Returned funds to date have been deposited in the Replacement Fund. The Governing Board can choose to apply the final balance of the Reserve toward the last Debt Service payment or deposit it in the MERA Replacement Fund.

Debt Service for the Next Gen System, secured by the proposed November 2014 parcel tax and possibly supplemented by Member payments for project costs, not supported by the tax, would commence in August 2015 and initial payments would be received beginning in December 2015. Bonds could be issued immediately following a successful election. Range of the proposed Bonds term discussed to date is 18 to 25 years.