

Agenda Item C

MARIN EMERGENCY RADIO AUTHORITY

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DATE: August 12, 2015

TO: MERA Finance Committee

FROM: Maureen Cassingham, Executive Officer

SUBJECT: AGENDA ITEM C: REPORT ON RESERVE REIMBURSEMENT FOR
NEXT GEN SYSTEM PROJECT ADVANCES

Recommended Action: Receive and file Report on Reserve Reimbursement for Next Gen System Project Advances.

Background: Work on this project is now underway subsequent to the creation of the Project Fund by Bond Trustee BNY Mellon and release of the Surety Substitution Policy, which permitted placement of the \$2.063M Bond Reserve into the Project Fund.

As you know, on May 13, 2015 the Governing Board approved the First Amendment to the Indenture of Trust permitting use of the Reserve Fund for reimbursement to MERA for expenses incurred for the Next Gen Project to date and ongoing Next Gen costs. To access these monies, MERA needs to file signed Requisitions stating the amounts to be disbursed, accompanied by invoices for each of the amounts, check numbers and payment dates. This Amendment followed the Governing Board approved Resolution 2013-01 in January 2013 declaring MERA's intent to seek reimbursement of Next Gen Project-related expenditures.

Bond Counsel Reyes drafted the Requisition format for submission to BNY Mellon which was subsequently approved by the Trustee. BNY also required the filing of a Certificate of Incumbency which was executed by the MERA President, authorizing the Executive Officer to submit requisitions.

Requisitions with the required invoice documentation are being developed for each fiscal year's Next Gen expenses dating back to 2009 for MERA's initial strategic planning expenses. The first requisition was submitted on July 31 for FY14-15 in the amount of \$376,917.13. Total estimated reimbursements of \$1.2M will be deposited in MERA's Replacement Fund upon receipt. The remaining balance of an estimated \$.863M will be available to fund other Next Gen Project expenses in FY15-16 and beyond.