

Agenda Item A-3

MARIN EMERGENCY RADIO AUTHORITY

c/o Novato Fire Protection District
95 Rowland Way, Novato, CA 94945

DATE: September 9, 2015
TO: MERA Executive Board
FROM: Maureen Cassingham, Executive Officer
SUBJECT: AGENDA ITEM A-3: NEXT GEN SYSTEM PROJECT
COSTS REPLENISHMENT UPDATE

Recommended Action: Receive and file Report on Next Gen System Project Costs Replenishment Update.

Background: Work on this project has been underway since the release of the Surety Substitution Policy and creation of the Project Fund by Bond Trustee BNY Mellon, 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 replenishment of MERA expenses incurred for the Next Gen Project to date and ongoing Next Gen costs. To access these monies, MERA began filing signed Requisitions stating the amounts to be disbursed, accompanied by invoices for each of the amounts, check numbers and payment dates. The First Amendment is consistent with the Governing Board approved Resolution 2013-01 in January 2013 declaring MERA's intent to seek replenishment 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 Certificates of Incumbency which were executed by the MERA President and NFPD Finance Director Hom, 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 FY12-13 for MERA's planning and implementation expenses. The first and second requisitions were submitted on July 31 for FY14-15 in the amount of \$376,917.13 and on August 11, 2015 for FY13-14 for \$398,998.67. Checks for these amounts have been received from BNY Trustee. Total replenishment, estimated at \$900,000, will be restored to MERA's Replacement Fund (70036).

The remaining balance of an estimated \$1.1M will be available from the current Bond Reserve to fund other Next Gen Project expenses in FY15-16 and beyond.