

MARIN EMERGENCY RADIO AUTHORITY

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DATE: September 9, 2015
TO: MERA Executive Board
FROM: Maureen Cassingham, Executive Officer
SUBJECT: AGENDA ITEM **B-1** RECOMMENDATION OF FINANCIAL ADVISOR FOR
FINANCIAL ADVISORY AND BOND SERVICES -
NEXT GEN SYSTEM PROJECT

Recommended Action: Approve (1) Finance Committee Vice Chair and Executive Officer recommendation of Sperry Capital, Inc., to provide Financial Advisory and Bond Sale Services to MERA for the Next Gen System Project per their attached proposal and (2) authorize Gaffney and Cassingham to complete contract negotiations with Sperry with input from General Counsel.

Background: The MERA Finance Committee, on August 12, 2015, approved an RFP for Financial Advisory and Bond Sale Services and authorized Committee Vice Chair Gaffney and the Executive Officer to conduct the consultant selection process and present a recommended firm to the Executive Board on September 9. The Executive Board is comprised of four of the five Finance Committee Members (Hymel, Pearce, Berg and Doyle).

The attached RFP included a \$10,000 budget for initial review of MERA's current Project Financing Plan, strategy of phased bond financing and review of current and near future market conditions and trends relative to this strategy. The RFP was issued on August 13 to four prequalified, experienced Bay Area firms. Two firms responded by the August 28 deadline for submission.

On August 30 and 31, the proposals from PFM and Sperry Capital were reviewed based on responsiveness to the RFP, work products provided, quality of references, qualifications and experience of assigned personnel, financial advisors and/or firms standing in the industry and proposed fees. Both firms received an A+ rating on all the criteria except for fees. Sperry's fee schedule was approximately 30% less than PFM's. Another distinctive difference was Sperry's submission of a Preliminary Financing Plan, as an attachment to their Proposal, outlining possible approaches to financing the Project. It was agreed by the evaluators that it conveyed an insightful and studied, albeit preliminary, understanding of MERA's financing goals. Gaffney and Cassingham concurred on the recommendation of Sperry to provide financial planning and bond services for the Next Gen Project.

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MERA has recently worked with Sperry on the Reserve Fund Surety Substitution which freed up \$2M for replenishment of MERA Next Gen expenses and Project cash flow. The Surety Substitution was an idea originally proposed by Sperry Capital and their performance on MERA's behalf was superior.

ATTACHMENTS:

- B-1a MERA Financial Advisory and Bond Sale Services RFP
- B-1b Proposal to Provide Financial Advisory and Bond Sale Services from Sperry Capital, Inc.