

Agenda Item B-1

MARIN EMERGENCY RADIO AUTHORITY

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DATE: March 9, 2016

TO: MERA Executive Board

FROM: Maureen Cassingham, Executive Officer

SUBJECT: AGENDA ITEM **B-1**: REPORT AND DIRECTION FROM
MERA GOVERNING BOARD RE:
NEXT GEN PROJECT FINANCING

Recommended Action: Receive and file the report from the MERA Finance Committee and Governing Board regarding proceeding with the issuance of tax exempt bonds to finance the Next Gen System Project as set forth under Case A in the attached letter to the Finance Committee from Sperry Capital, Inc., MERA's Financial Advisor.

Background: Since the engagement of Sperry Capital, Inc., Principals Jim Gibbs and Martha Vujovich have been working on various financing alternatives for the Next Gen Project with considerable input from the Finance Committee Chair Hymel, Vice Chair Gaffney and the Executive Officer. Attached is Sperry Capital's analysis of same and conclusions regarding the timing of proceeding with tax-exempt bond financing now to capture historically low interest rates.

A verbal report from the Finance Committee meeting on February 22, 2016 was provided to the Governing Board on February 24, 2016. The Governing Board, in concurrence with the Finance Committee, directed preparation of bond financing documents for presentation to the Governing Board on March 23, 2016, as outlined in Case A. This allows consideration of the issuance of \$30M in bonds as soon as possible combined with parcel taxes collected to date and through construction to fund the estimated \$40M Next Gen Project cost. Timely issuance permits MERA to take advantage of current historically low interest rates.

A draft Financing Schedule is attached which reflects input from Finance Committee Vice Chair Gaffney, Sperry Capital and Bond and Disclosure Counsels Nossaman LLP and Hawkins, Delafield & Wood LLP and the Executive Officer, respectively.

ATTACHMENTS:

B-1a Sperry Capital, Inc. Letter dated February 12, 2016

B-1b Draft Financing Schedule dated February 23, 2016