

MARIN EMERGENCY RADIO AUTHORITY

c/o Novato Fire Protection District
95 Rowland Way, Novato, CA 94945
PHONE: (415) 878-2690 FAX: (415) 878-2660

DATE: December 12, 2018
TO: MERA Governing Board
FROM: Maureen Cassingham, Executive Officer
SUBJECT: AGENDA ITEM **C-2**: REPORT ON REINVESTMENT OF REMAINING
2016 BONDS PROCEEDS AND NEW
GUARANTEED INVESTMENT CONTRACT (GIC)

Recommended Action: Receive and file the Report on Reinvestment of Remaining 2016 Bonds Proceeds and New Guaranteed Investment Contract (GIC).

Background: The Guaranteed Investment Contract with Natixis for the 2016 Proceeds of \$32,905,000 was entered into on May 19, 2016. The Contract expired on November 30, 2018. Pursuant to the authorization granted to the Executive Officer by Governing Board Resolution 2016-04, and working with Finance Committee Vice Chair Gaffney, I engaged Sperry Capital again to provide reinvestment advisory services for the remaining \$26M in 2016 Bond proceeds by conducting a competitive bid process for a new GIC. Sperry, as GIC broker, worked with MERA and developed a new request for bid form, including a revised Exhibit A, which specified a new drawdown schedule for Project Funds. Sperry was also charged with attracting multiple bids to provide MERA with optimal quality bidders and interest rates. Bid specifications contained bid date, closing date, estimated drawdown schedule, drawdown restrictions, interest and payment dates, provider downgrade provisions, termination provisions, broker fee, legal counsel firm and trustee contacts.

December 10, 2018, was established as the bid submittal date. Of the 6 eligible GIC providers contacted, 2 bids were received with the following results:

Bayerische Landesbank (BLB) 3.042%
Natixis Funding Corporation 2.841%

BLB was awarded the winning bid on December 10, 2018 based on credit strength, financial funding goals and interest rate. The winning bidder will provide a draft investment agreement for review and comment by MERA, Bond Counsel Albert Reyes with Kutak Rock and Sperry Capital. U.S. Bank will continue as 2016 Bonds Trustee.

Sperry's Brokerage Fee for advisory services is \$7,500 and is paid by the provider contingent on successful GIC closing and settlement on December 17.

Finance Committee Vice Chair Gaffney and I are available to answer any questions at your meeting.

MERA_GB_Meeting_12-12-18_C-2_Staff Report_2016 Bonds - GIC