

Marin Emergency Radio Authority
\$33,000,000.00
2016 Special Parcel Tax Revenue Bonds
(Marin Public Safety and Emergency Radio System)

Arbitrage Rebate Calculation

June 2020

June 10, 2020

Ms. Maureen Cassingham
Executive Officer
Marin Emergency Radio Authority
300 Tamalpais Drive
Corte Madera, California 94925

RE: Arbitrage Rebate Calculation

Dear Ms. Cassingham:

At the request of the Marin Emergency Radio Authority (the “Authority”), Willdan Financial Services has completed the Arbitrage Rebate Calculation for 2016 Special Parcel Tax Revenue Bonds (Marin Public Safety and Emergency Radio System) (the “Obligations”). The issue has no rebate liability for the period beginning May 19, 2016, the *delivery date*, and ending May 19, 2020. ***However, the issue has a yield restriction liability of \$177,142.35 for the period beginning May 19, 2019, the end of the temporary period, and ending May 19, 2020.*** This does not represent the amount that may be due as of the next *installment computation date* of May 19, 2021.

Willdan Financial Services is of the opinion that the calculations contained in the attached schedules are mathematically accurate and were completed in accordance with Section 148(f) of the Internal Revenue Code of 1986 and existing applicable Treasury Regulations. Assuming all tax covenants relating to the Obligations have been complied with and the information provided to Willdan Financial Services is correct, a legal review of the rebate computation is not necessary at this time.

This report is intended for the information of the Authority and should not be used for any other purpose.

We will provide an update for the next *calculation period* after May 19, 2021. In the meantime, if you have questions regarding this calculation, or any other concerns, please call Anne Pelej or me at (800) 755-6864.

Regards,
Willdan Financial Services



Steve Bearce, Senior Project Manager
Federal Compliance Group

Enclosure
cc: Trust Review/US Bank, N.A.

CALCULATION SUMMARY

**Marin Emergency Radio Authority
2016 Special Parcel Tax Revenue Bonds
(Marin Public Safety and Emergency Radio System)
\$33,000,000.00**

Arbitrage Yield: **2.32572000%**
Final Maturity Date: **August 1, 2035**

**Arbitrage Rebate Liability
For the Period May 19, 2016 – May 19, 2020**

Costs of Issuance	\$ (15.88)
Project (Unrestricted)	(867,171.12)
FV Computation Date Credit – 05/19/17	(1,789.96)
FV Computation Date Credit – 05/19/18	(1,780.46)
FV Computation Date Credit – 05/19/19	(1,770.47)
Computation Date Credit – 05/19/20	(1,760.00)
Allowable .125% Difference	37,089.84
Total	\$ (837,198.05)
Rebate Liability (90% of Total)	-

**Yield Restriction Liability
For the Period May 19, 2019 – May 19, 2020**

Project (Restricted)	\$ 177,142.35
Total Yield Restriction Liability	\$ 177,142.35

**Balance of Funds/Accounts
Subject to Rebate Requirement
As of May 19, 2020**

Project (Acct. #234778006)	\$ 29,832,165.68
Total	\$ 29,832,165.68

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SUMMARY OF ANALYSIS

Assumptions

The calculations in this report are mathematically accurate and were performed in accordance with the existing applicable laws and regulations. The Obligations were issued on May 19, 2016 and are subject to the 1993 Regulations. In the event of changes to the existing regulations or the release of new regulations or rulings that apply to the Obligations, the calculation should be re-examined to include all the applicable changes.

In the process of calculating the Arbitrage Rebate Requirement, Willdan Financial Services has reviewed the following documents: Official Statement, Tax Certificate, and IRS Form 8038-G. Willdan Financial Services assumes the documents and any information provided to us are accurate and contain no errors or omissions that would affect the calculation of the rebate liability.

Willdan Financial Services assumes the financial schedules and information provided with respect to the proceeds is allowable and accurate in all respects, including the dates and amounts of the cash flow transactions. Willdan Financial Services further assumes that a current cash outlay occurred no later than five (5) banking days after the date on which the allocation of gross proceeds to an expenditure was made as allowed under Section 1.148-6(d)(1)(ii) of the Regulations.

Willdan Financial Services assumes that the investments were purchased at fair market value, that the administrative expenses, commissions or similar expenses, unless otherwise allowable, were not included in the purchase price, and that the investments were purchased in an “arms length transaction.”

The issue does not qualify for the small issuer exception per Section 1.148-8 of the Regulations.

Willdan Financial Services assumes the funds used for the payment of debt service meet the requirement of a “bona fide” debt service fund, unless otherwise noted. The funds/accounts established for the purpose of matching revenues and debt service in each calculation period constitute bona fide debt service funds as described under Section 1.148-1(b) of the Regulations.

Willdan Financial Services assumes that no transactions have occurred that would result in the creation of additional gross proceeds, unless otherwise noted in this report.

The issue is not a “Refunding” or “Refunded” issue as described under Section 1.148-9 of the Regulations.

Purpose

The Obligations were issued in the principal amount of \$33,000,000.00 for the purpose of financing capital improvements to the existing countywide public safety and emergency radio system.

Sources and Uses

Proceeds equal \$33,058,035.69 as described below:

Principal	\$ 33,000,000.00
Original Issue Premium	581,595.55
Credit Enhancement	(72,000.00)
Underwriter's Discount	(451,559.86)
Total	\$ 33,058,035.69

Proceeds were expended on the *delivery date* or deposited as follows:

Costs of Issuance	\$ 153,000.00
Project	32,905,035.69
Total	\$ 33,058,035.69

Important Dates

- The *dated date* is May 19, 2016.
- The *delivery date* is May 19, 2016. The first *bond year* runs from May 19, 2016 through close of business on May 19, 2017.
- The *calculation period* for this report begins May 19, 2016 and runs through May 19, 2020.
- The next *installment computation date* is May 19, 2021.
- The *final computation date* is August 1, 2035, unless the Obligations are redeemed prior to that date, in which case the final computation date is that date on which the Obligations are redeemed. One hundred percent of the rebate liability is due no later than 60 days after this date.

Yield

The *arbitrage yield* is 2.32572000% as stated in the Tax Certificate and IRS Form 8038-G.

Yield Restriction

Yield restriction limits the taxable yield on investment earnings. If investment earnings on proceeds exceed the *arbitrage yield*, the Obligations could lose their tax-exempt status retroactive to the *delivery date*. The rebate requirement does not eliminate the need to restrict investment earnings on construction fund balances remaining at the end of the temporary period. Some exceptions to investment yield restriction are:

- The temporary period exception allows higher yields on investments for a period up to three years on construction or acquisition funds.
- The reserve fund exception allows higher yields on investment earnings for a “reasonably required reserve fund” on a continual basis for the term of the issue.
- The minor portion exception allows higher yields on investment earnings if the amount does not exceed the lesser of 5% of the total Obligation proceeds or \$100,000.

The temporary period for the Project Fund expired on May 19, 2019. Subsequent to that date, the Regulations allow the fund to yield a return that does not exceed the *arbitrage yield* by more than .125%. The maximum allowable yield for the Project Fund subsequent to the expiration of the temporary period is 2.45072000%. The IRS offers two compliance options. The proceeds held in the fund may be invested at or below the yield restricted rate subsequent to the expiration of the temporary period. Alternatively, a yield reduction payment that reduces the yield on the fund to a return at or below the yield restricted rate may be made to the U.S. Treasury on the next *installment computation date* of May 19, 2021. As of the date of this report, Willdan Financial Services has determined the fund is *not yield restricted* in accordance with the Regulations.

Rebate Liability

There is no aggregate rebate liability as summarized below:

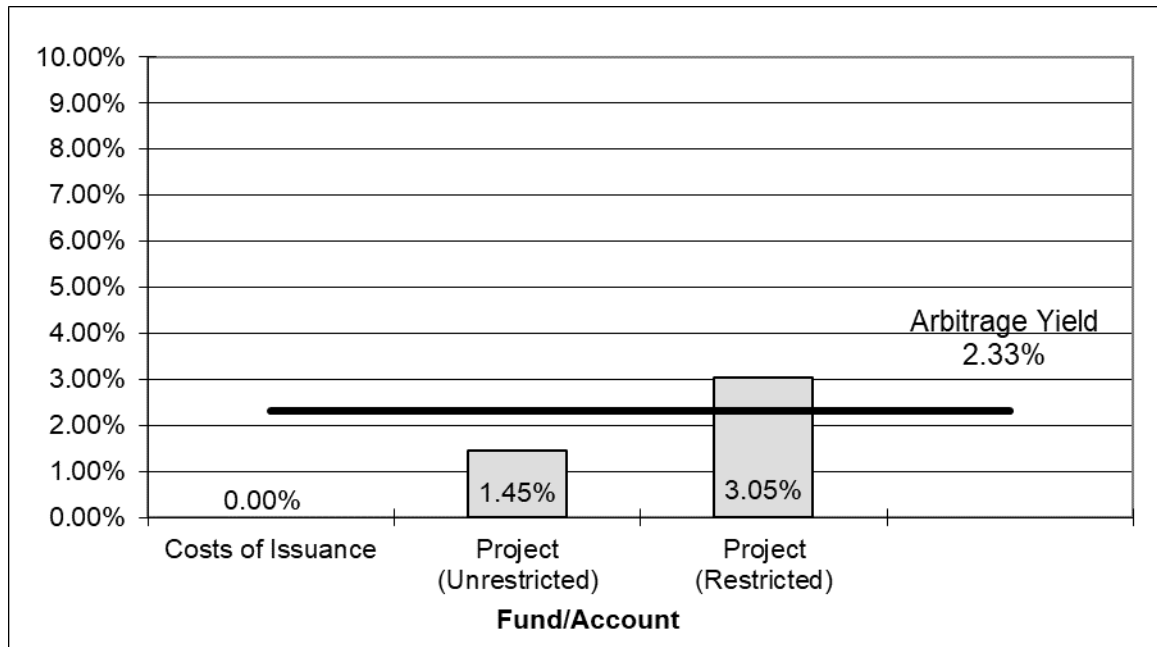
Costs of Issuance	\$ (15.88)
Project (Unrestricted)	(867,171.12)
FV Computation Date Credit – 05/19/17	(1,789.96)
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Computation Date Credit – 05/19/20	(1,760.00)
Allowable .125% Difference	37,089.84
Total	\$ (837,198.05)
Rebate Liability (90% of Total)	-

Yield Restriction Liability

There is a yield restriction liability as summarized below:

Project (Restricted)	\$ 177,142.35
Total Yield Restriction Liability	\$ 177,142.35

Yield Comparison



Notes

A Debt Service Reserve Insurance Policy was purchased from Build America Mutual Assurance Company on the date of delivery.

Marin Emergency Radio Authority
2016 Special Parcel Tax Revenue Bonds
(Marin Public Safety and Emergency Radio System)

Dated Date 19-May-16
 Issue Date 19-May-16
 First Maturity 01-Aug-19
 Last Maturity 01-Aug-35
 First Coupon 01-Feb-17

Total Interest \$ 9,970,530.00
 Total Principal 33,000,000.00
 Total Debt Service \$ 42,970,530.00

Date	Principal	Interest Rate	Interest	Total Debt Service	Annual Debt Service
01-Feb-17	\$ 0.00		\$ 554,330.00	\$ 554,330.00	\$ 0.00
01-Aug-17	0.00		395,950.00	395,950.00	950,280.00
01-Feb-18	0.00		395,950.00	395,950.00	0.00
01-Aug-18	0.00		395,950.00	395,950.00	791,900.00
01-Feb-19	0.00		395,950.00	395,950.00	0.00
01-Aug-19	1,625,000.00	2.000%	395,950.00	2,020,950.00	2,416,900.00
01-Feb-20	0.00		379,700.00	379,700.00	0.00
01-Aug-20	1,660,000.00	2.000%	379,700.00	2,039,700.00	2,419,400.00
01-Feb-21	0.00		363,100.00	363,100.00	0.00
01-Aug-21	1,695,000.00	2.000%	363,100.00	2,058,100.00	2,421,200.00
01-Feb-22	0.00		346,150.00	346,150.00	0.00
01-Aug-22	1,725,000.00	2.000%	346,150.00	2,071,150.00	2,417,300.00
01-Feb-23	0.00		328,900.00	328,900.00	0.00
01-Aug-23	1,760,000.00	2.000%	328,900.00	2,088,900.00	2,417,800.00
01-Feb-24	0.00		311,300.00	311,300.00	0.00
01-Aug-24	1,800,000.00	2.000%	311,300.00	2,111,300.00	2,422,600.00
01-Feb-25	0.00		293,300.00	293,300.00	0.00
01-Aug-25	1,835,000.00	2.000%	293,300.00	2,128,300.00	2,421,600.00
01-Feb-26	0.00		274,950.00	274,950.00	0.00
01-Aug-26	1,870,000.00	2.000%	274,950.00	2,144,950.00	2,419,900.00
01-Feb-27	0.00		256,250.00	256,250.00	0.00
01-Aug-27	1,910,000.00	2.000%	256,250.00	2,166,250.00	2,422,500.00
01-Feb-28	0.00		237,150.00	237,150.00	0.00
01-Aug-28	1,945,000.00	2.000%	237,150.00	2,182,150.00	2,419,300.00
01-Feb-29	0.00		217,700.00	217,700.00	0.00
01-Aug-29	1,985,000.00	2.000%	217,700.00	2,202,700.00	2,420,400.00
01-Feb-30	0.00		197,850.00	197,850.00	0.00
01-Aug-30	2,035,000.00	3.000%	197,850.00	2,232,850.00	2,430,700.00
01-Feb-31	0.00		167,325.00	167,325.00	0.00
01-Aug-31	2,100,000.00	3.000%	167,325.00	2,267,325.00	2,434,650.00
01-Feb-32	0.00		135,825.00	135,825.00	0.00
01-Aug-32	2,165,000.00	3.000%	135,825.00	2,300,825.00	2,436,650.00
01-Feb-33	0.00		103,350.00	103,350.00	0.00
01-Aug-33	2,230,000.00	3.000%	103,350.00	2,333,350.00	2,436,700.00
01-Feb-34	0.00		69,900.00	69,900.00	0.00
01-Aug-34	2,295,000.00	3.000%	69,900.00	2,364,900.00	2,434,800.00
01-Feb-35	0.00		35,475.00	35,475.00	0.00
01-Aug-35	2,365,000.00	3.000%	35,475.00	2,400,475.00	2,435,950.00

Marin Emergency Radio Authority
2016 Special Parcel Tax Revenue Bonds
(Marin Public Safety and Emergency Radio System)

Delivery Date 19-May-16
Computation Date 19-May-20
Arbitrage Yield 2.32572000%
 Investment Yield 0.00000000%
 Total Earnings \$ -

Date	Receipts	Payments	Earnings	Balance	Future Value
19-May-16	\$ 153,000.00	\$ 0.00	\$ 0.00	\$ 153,000.00	\$ (167,826.38)
19-May-16	*	(138.00)		152,862.00	151.37
19-May-16		(61,157.20)		91,704.80	67,083.60
19-May-16		(32,144.00)		59,560.80	35,258.90
19-May-16		(4,350.00)		55,210.80	4,771.53
19-May-16		(23,500.00)		31,710.80	25,777.25
19-May-16		(22,000.00)		9,710.80	24,131.90
19-May-16		(500.00)		9,210.80	548.45
20-May-16		(4,700.00)		4,510.80	5,155.12
31-May-16		(2,338.25)		2,172.55	2,563.03
19-Aug-16	**	(2,172.55)		0.00	2,369.34
Total Rebatable Arbitrage					\$ (15.88)

* Adjustment to tie to statement.

** Transfer to Project Fund.

Marin Emergency Radio Authority
2016 Special Parcel Tax Revenue Bonds
(Marin Public Safety and Emergency Radio System)

Delivery Date 19-May-16
Computation Date 19-May-20
Arbitrage Yield 2.32572000%
 Investment Yield 1.45088729%
 Total Earnings \$ 1,363,976.94

Date	Receipts	Payments	Earnings	Balance	Future Value
19-May-16	\$ 32,905,035.69	\$ 0.00	\$ 0.00	\$ 32,905,035.69	\$ (36,093,679.47)
20-May-16		(40,000.00)		32,865,035.69	43,873.36
01-Aug-16			78,285.75	32,943,321.44	
19-Aug-16	* 2,172.55			32,945,493.99	(2,369.34)
02-Nov-16			97,855.54	33,043,349.53	
01-Dec-16			29.64	33,043,379.17	
28-Dec-16			0.01	33,043,379.18	
03-Jan-17			52.75	33,043,431.93	
01-Feb-17			67.93	33,043,499.86	
03-Feb-17			97,855.54	33,141,355.40	
14-Feb-17		(274,147.16)		32,867,208.24	295,638.08
01-Mar-17			42.93	32,867,251.17	
03-Apr-17			1.01	32,867,252.18	
01-May-17			1.17	32,867,253.35	
01-May-17			97,855.54	32,965,108.89	
01-May-17		(97,855.54)		32,867,253.35	105,006.00
01-Jun-17			1.23	32,867,254.58	
27-Jun-17		(1,885,008.21)		30,982,246.37	2,015,486.20
03-Jul-17			1.41	30,982,247.78	
01-Aug-17			95,735.22	31,077,983.00	
01-Aug-17		(95,735.22)		30,982,247.78	102,138.60
01-Aug-17			1.64	30,982,249.42	
01-Sep-17			1.68	30,982,251.10	
08-Sep-17		(112,295.95)		30,869,955.15	119,522.63
02-Oct-17			0.38	30,869,955.53	
01-Nov-17			92,049.99	30,962,005.52	
01-Nov-17		(92,049.99)		30,869,955.53	97,640.80
14-Dec-17		(287,852.00)		30,582,103.53	304,493.04
01-Feb-18			91,467.71	30,673,571.24	
01-Feb-18		(91,467.71)		30,582,103.53	96,463.91
09-Apr-18		(24,389.36)		30,557,714.17	25,609.47
01-May-18			91,040.46	30,648,754.63	
01-May-18		(91,040.46)		30,557,714.17	95,459.89
24-May-18		(162,906.56)		30,394,807.61	170,562.48
27-Jul-18		(349,262.68)		30,045,544.93	364,199.81
01-Aug-18			90,578.28	30,136,123.21	

Date	Receipts	Payments	Earnings	Balance	Future Value
01-Aug-18		(90,578.28)		30,045,544.93	94,427.83
21-Aug-18		(135,994.80)		29,909,550.13	141,592.54
27-Sep-18		(12,048.80)		29,897,501.33	12,515.77
01-Nov-18			89,132.12	29,986,633.45	
01-Nov-18		(89,132.12)		29,897,501.33	92,384.61
30-Nov-18			28,684.16	29,926,185.49	
03-Dec-18			1,714.62	29,927,900.11	
02-Jan-19		(80,964.46)		29,846,935.65	83,590.75
02-Jan-19			29,166.69	29,876,102.34	
01-Feb-19			108,544.63	29,984,646.97	
01-Feb-19			52.87	29,984,699.84	
28-Feb-19		(353,296.33)		29,631,403.51	363,446.77
01-Mar-19			212.00	29,631,615.51	
01-Apr-19			0.37	29,631,615.88	
01-May-19			225,838.56	29,857,454.44	
01-May-19			0.40	29,857,454.84	
08-May-19		(154,027.55)		29,703,427.29	157,742.04
19-May-19	**		131.49	29,703,558.78	
19-May-19	**		47,573.22	29,751,132.00	
19-May-19		(29,751,132.00)		0.00	30,447,083.10
Total Rebatable Arbitrage					\$ (867,171.12)

* Transfer from Costs of Issuance Fund.

** Interest accrued on investments through May 19, 2019.

Marin Emergency Radio Authority
2016 Special Parcel Tax Revenue Bonds
(Marin Public Safety and Emergency Radio System)

Delivery Date 19-May-16
Computation Date 19-May-20
Arbitrage Yield 2.32572000%
Investment Yield 3.04665347%
Total Earnings \$ 900,101.48

Date	Receipts	Payments	Earnings	Balance	Future Value
19-May-19	\$ 29,751,132.00	\$ 0.00	\$ 0.00	\$ 29,751,132.00	\$ (30,447,083.10)
19-May-19	*		(131.49)	29,751,000.51	
19-May-19	*		(47,573.22)	29,703,427.29	
03-Jun-19			207.61	29,703,634.90	
18-Jun-19		(144,858.58)		29,558,776.32	147,971.29
01-Jul-19			75.83	29,558,852.15	
01-Aug-19			225,082.93	29,783,935.08	
01-Aug-19			0.14	29,783,935.22	
07-Aug-19		(72,830.09)		29,711,105.13	74,161.28
28-Aug-19		(182,591.22)		29,528,513.91	185,678.01
03-Sep-19			252.55	29,528,766.46	
01-Oct-19			0.37	29,528,766.83	
01-Nov-19			224,633.39	29,753,400.22	
01-Nov-19			0.38	29,753,400.60	
18-Nov-19		(50,378.84)		29,703,021.76	50,967.95
02-Dec-19			258.65	29,703,280.41	
09-Dec-19		(56,249.74)		29,647,030.67	56,830.79
02-Jan-20			168.57	29,647,199.24	
03-Feb-20			224,564.35	29,871,763.59	
03-Feb-20			147.05	29,871,910.64	
28-Feb-20		(264,741.23)		29,607,169.41	266,122.18
02-Mar-20			358.75	29,607,528.16	
01-Apr-20			57.27	29,607,585.43	
01-May-20			224,564.35	29,832,149.78	
01-May-20			15.90	29,832,165.68	
19-May-20	**		10.07	29,832,175.75	
19-May-20	**		47,408.03	29,879,583.78	
19-May-20		(29,879,583.78)		0.00	29,879,583.78
Unadjusted Rebatable Arbitrage					\$ 214,232.19
Less .125% Allowable Difference					\$ (37,089.84)
Total Rebatable Arbitrage					\$ 177,142.35

* Interest accrued on investments during prior period.

** Interest accrued on investments through May 19, 2020.

**Marin Emergency Radio Authority
 2016 Special Parcel Tax Revenue Bonds
 (Marin Public Safety and Emergency Radio System)**

Project					
Bayerische Landesbank Investment Agreement					
Coupon Rate:	3.04%	Acquisition Date:	18-Dec-18	Par Amount:	\$ 29,528,513.91
Accrual at 5/19/20:	\$ 47,408.03	Maturity Date:	31-Mar-21		
First American Government Oblig Fd CI Z				\$	303,651.77
Balance				\$	29,832,165.68