

MARIN EMERGENCY RADIO AUTHORITY

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DATE: February 17, 2021
TO: MERA Finance Committee
FROM: Maureen Cassingham, Executive Officer
SUBJECT: AGENDA ITEM **E**: REVIEW OF MEASURE A 2016 BOND PROCEEDS
REINVESTMENT OPTIONS

Recommended Action: Review and recommend an option(s) for the Reinvestment of Measure A 2016 Bond Proceeds

Background: On March 31, 2021, MERA's 2016 Bonds Guaranteed Investment Contract (GIC) with Bayerische Landesbank (BLB) will expire. BLB has tried, without success, to force premature MERA NGP draws to reduce the amount of interest BLB is paying on the considerable balance of proceeds. The current interest rate on the GIC is 3.04%.

Deputy Executive Officer Jeffries and I have worked on an updated Draw Schedule to inform future investment options with input from Sperry Capital, MERA's Financial Advisors. Investment rates for the permitted investments in the Bond Indenture are all very low at this time. It makes sense to look at a portfolio structure with select maturities when funds are needed.

Given the projected Draw Schedule presented to you, it may well be advisable to deposit the Bond Fund balance in LAIF for better interest earnings and liquidity. Staff will explore whether MERA would need its own LAIF account or use the County's account.

Further review and input by the Finance Committee is advised before reaching out to MERA's Financial Advisors.