

MARIN EMERGENCY RADIO AUTHORITY

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DATE: February 24, 2021
TO: MERA Governing Board
FROM: Maureen Cassingham, Executive Officer
SUBJECT: AGENDA ITEM **B-5**: REVIEW OF MEASURE A 2016 BOND PROCEEDS
REINVESTMENT OPTIONS

Recommended Action: Upon recommendation of the Finance Committee, direct the Finance Committee Vice Chair and Executive Officer to confer with MERA Financial Advisors to recommend a Reinvestment Option(s) for Measure A 2016 Bond Proceeds for Governing Board consideration.

Background: On March 31, 2021, MERA's 2016 Bonds Guaranteed Investment Contract (GIC) with Bayerische Landesbank (BLB) will expire. BLB tried, without success, to force premature MERA NGP draws to reduce the amount of interest BLB is paying on the current \$27M balance of proceeds. The BLB interest rate on the GIC is 3.04%.

Deputy Executive Officer Jeffries and I worked on an updated Draw Schedule to inform future investment options with input from the MERA Finance Committee. While rates for 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 as well as deposit in LAIF to maximize return on the declining balance.

Finance Committee Vice Chair Gaffney and the Executive Officer will work with Sperry Capital to present options at your March 24 meeting.