

MARIN EMERGENCY RADIO AUTHORITY

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DATE: March 10, 2021
TO: MERA Finance Committee
FROM: Maureen Cassingham, Executive Officer
SUBJECT: AGENDA ITEM **F**: REPORT ON REINVESTMENT OF
MEASURE A 2016 BOND PROCEEDS

Recommended Action: As reported at your February 17, 2021 meeting, MERA's 2016 Bonds Guaranteed Investment Contract (GIC) with Bayerische Landesbank (BLB) expires on March 31, 2021. The GIC interest rate is 3.04%. With the Committee's concurrence, Finance Committee Vice Chair Gaffney and I had a conference call on March 5 with Sperry Capital, MERA's Financial Advisors, regarding reinvestment options for the remaining Bond Proceeds of \$28M as of February 28, 2021 and the projected construction draw schedule through completion of the Next Gen Project.

Options discussed were a LAIF (State Treasurer's Local Agency Investment Fund) Trustee Bond Account (currently at .54% interest) administered through US Bank Trustee or a Cal Trust Investment managed by Black Rock like TAM has utilized.

At this time, given MERA's projected draws, liquidity needs and interest rate, it is recommended MERA obtain Governing Board approval of a resolution establishing a MERA LAIF Trustee Bond Account which will be presented at the March 24 meeting.

On March 31, the remaining balance of Bond proceeds will be transferred to US Bank from BLB where the funds will be invested by the Trustee short-term into a money market account(s) until the LAIF Bond account application, which is being facilitated by Sperry Capital, is processed by the State along with original Bond documentation and updated drawdown schedule. Final amount of the proceeds deposited will be determined by staff to assure sufficiency of funds on hand to pay pending invoices through Q1. Thereafter Bond proceeds will be requisitioned by MERA, via U.S. Bank, to pay Project costs every 30 days.