

MARIN EMERGENCY RADIO AUTHORITY

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DATE: April 21, 2021

TO: MERA Citizens Oversight Committee

FROM: Maureen Cassingham, Executive Officer

SUBJECT: AGENDA ITEM **E**: REPORT ON REINVESTMENT OF 2016 BOND PROCEEDS
IN STATE LOCAL AGENCY INVESTMENT FUND (LAIF)

Recommended Action: Receive and file Report on Reinvestment of 2016 Bond Proceeds.

Background: MERA's 2016 Bonds Guaranteed Investment Contract (GIC) with Bayerische Landesbank (BLB) expired on March 31, 2021. The GIC interest rate was 3.04%. With the Finance 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%) administered through US Bank Trustee or a Cal Trust Investment managed by Black Rock like TAM has utilized.

At their March 10, 2021 meeting, given MERA's projected draws, liquidity needs and interest rate, the Finance Committee recommended obtaining MERA Governing Board approval of a resolution establishing a MERA LAIF Bond Account.

With Governing Board approval of the Resolution on March 24, 2021 the balance of Bond proceeds was transferred to US Bank from BLB effective March 31, 2021, where the funds were invested in a LAIF Bond account.

The remaining \$23,387,000 proceeds deposited in LAIF will be requisitioned by MERA, via U.S. Bank, to pay Project expenses every 30 days going forward.