

MARIN EMERGENCY RADIO AUTHORITY

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DATE: January 8, 2014
TO: MERA Executive Board
FROM: Maureen Cassingham, Executive Officer
SUBJECT: AGENDA ITEM **A-7**: UPDATE ON BOND RESERVE INVESTMENT

Recommended Action: Receive and file the Update on Bond Reserve Investment.

Background: The previous short-term investment of MERA's 2010 Refunding Bonds Reserve, in a security with the Federal National Mortgage Association (FNMA), matured on December 11, 2013. Yield was 2.85%.

Bond Trustee Bank of New York Mellon confirmed the amount to be invested as \$1,885,828. BONY assisted in identifying investment options consistent with the County's Investment Policy which was adopted by the MERA Board in 2010.

The MERA Finance Committee recommended and the Executive Board authorized Finance Committee Chair Gaffney and the Executive Officer to select the highest yielding investment option identified by the Trustee's Capital Market Group and invest the Reserve accordingly.

On December 11, the Governing Board was provided confirmation of the Reserve investment in a security with the Federal Home Loan & Mortgage Corporation at .75% offered at 100 with a 6/2014 par call and 12/27/16 maturity. This substantially lower yield was anticipated based on current low market interest rates.