

Agenda Item A-7

MARIN EMERGENCY RADIO AUTHORITY

95 Rowland Way, Novato, CA 94945

DATE: July 8, 2015
TO: MERA Executive Board
FROM: Maureen Cassingham, Executive Officer
SUBJECT: AGENDA ITEM A-7: UPDATE ON SURETY AWARD OF BID FOR
2010 REFUNDING REVENUE BONDS RESERVE

Recommended Action: Receive and file update on Award of Bid for Surety Substitution for 2010 Refunding Revenue Bonds Reserve.

Background: The MERA Governing Board adopted on May 13, 2015 a Resolution approving a Reserve Fund Surety and appointing Sperry Capital, Inc., as Financial Advisor and Nossaman as Bond Counsel to obtain the Surety. The Governing Board also authorized the Executive Officer to administer the process, execute and deliver any documents needed to obtain the Surety. Estimated cost of the Surety was \$18,000.

On June 5, MERA received two bids from Build America Mutual Assurance Company (BAM) and Assured Guaranty (AG) to provide a reserve surety policy. Their respective bids were as follows:

- BAM – 2.25% of the initial policy amount of \$1,276,500 subject to approval of their commitment package (\$28,721.25)
- AG – 3.5% of the initial policy amount of \$1,276,500 subject to approval of their commitment package (\$44,677.50)

Award of bid to BAM was provided in writing on June 5, subject to review and approval of their commitment package. Surety purchase closing occurred on June 23, 2015. MERA executed and delivered the following on that date:

- 1) Amendment to the 2010 Indenture of Trust to effect surety substitution and describe BAM's Surety Policy.
- 2) Signed Debt Service Reserve Agreement between MERA and BAM.
- 3) Wire transfer to provide payment in full to BAM to issue the policy.

The current Reserve of \$2,063,354 with this policy, will be available to MERA to use for reimbursement of Strategic Plan Implementation expenses to the Fund 70036 Replacement Fund, as well as for FY15-16 Next Gen Project cash flow as needed.