



October 25, 2023
Agenda Item B-5

Governing Board Communication

TO: MERA Governing Board

FROM: Heather Plamondon, Executive Officer

SUBJECT: Review and Approve Executive Officer to Engage Sperry Capital Inc. For Financial Advisor Services for the Additional Financial Needs for the Next Gen Project, and Approve Necessary Budget

Recommended Action:

1. Authorize the Executive Officer, with Finance Committee assistance, to retain Sperry Capital Inc. to provide Financial Advising Service for the purpose of securing additional Next Gen Project Funds; and
2. Authorize the Executive Officer to sign a Letter of Agreement for the Services; and
3. Authorize a Not to Exceed Budget amount of Forty Thousand Dollars (\$40,000) for these services from Sperry Capital Inc.

Background:

In 2015 MERA conducted a competitive RFP process to obtain Financial Advisor Services to assist with an existing Bond that MERA had as well as prepare for a new one. Sperry Capital Inc. was the selected vendor after two proposals were received.

Today, MERA finds itself in need of additional funding to complete the Next Gen Project, due to delays in the project and unintended circumstances with design review and enhancements.

The MERA Purchasing Policy allows for the Executive Officer to submit to the Governing Board requests for the purchase of professional services in an amount not to exceed \$100,000, and the Board may negotiate, or designate the role, for the procurement of Professional Services.

The MERA Finance Committee received a presentation from Sperry Capital Inc. on options for securing the necessary debt that we need to finish the Next Gen Project. Sperry Capital Inc. is uniquely positioned to assist us given their historical work with MERA particular to the Next Gen Project, familiarity with our Measure A requirements and they are a local firm.

Given the current market conditions, and the need for this additional funding as early as Q1 2024, staff is requesting authorization to work with members of the Finance Committee to draft a Letter of Engagement, along with a reasonable budget to retain Sperry Capital Inc. to provide further Financial Advisor Services



Fiscal Impact:

The Sperry Capital Inc. fee is \$40,000, and is contingent upon successful sale of bonds or a revolving line of credit, and will be paid from bond or loan proceeds upon their successful sale.