ALAMEDA COUNTY

East Bay Regional Communications System Authority

CONTRA COSTA COUNTY

Participating agencies include Alameda and Contra Costa Counties and the following cities and special districts: Alameda, Albany, Antioch, Brentwood, Clayton, Concord, Danville, Dublin, El Cerrito, Emeryville, Fremont, Hayward, Hercules, Lafayette, Livermore, Martinez, Moraga, Newark, Oakley, Pinole, Pittsburg, Pleasant Hill, Pleasanton, Richmond, San Leandro, San Pablo, San Ramon, Union City, Walnut Creek, East Bay Regional Park District, Kensington Police Community Services District, Rodeo-Hercules Fire Protection District, San Ramon Fire Protection District, and the University of California, Berkeley

AGENDA ITEM 9.2

AGENDA STATEMENT
BOARD OF DIRECTORS MEETING
MEETING DATE: January 21, 2011

TO: Board of Directors
East Bay Regional Communications System Authority

FROM: William J. McCammon, Executive Director
East Bay Regional Communications System Authority

SUBJECT: Contract with Deutsche Bank to Become the Trustee for the EBRCSA

RECOMMENDATIONS:

1. Adopt a resolution authorizing the Board Chair to sign and the Executive Director to implement an agreement with Deutsche Bank to become the Trustee for the EBRCSA

SUMMARY/DISCUSSION:

The Trust Agreement between Alameda and Contra Costa Counties and the EBRCSA provides for the issuance of the East Bay Regional Communications System Authority Revenue bonds to the two counties. Once the bonds are sold the relationship between the EBRCSA and Alameda County as it relates to the bond revenue requires that the EBRCSA obtain the services of an independent Trustee. Currently the Alameda County Auditor Controller is responsible for accounting for the EBRCSA revenue, and expenses, but cannot hold the revenue from the bond proceeds. Once the independent Trustee receives the bond revenue from the counties, the Auditor Controller can draw down the revenue representing the EBRCSA, as the project builds out.

KNN, the EBRCSA financial advisor, obtained proposals from Deutsche Bank and Wells Fargo Bank, both of which serve as Trustees for both counties. KNN stated there would be very little difference in service between either Bank, as they were both excellent. The up-front fees and annual costs for each are included below:

Trustee	Up-Front-Fees	Annual Fees
Wells Fargo Bank	$2,250	$1,500
Deutsche Bank	$1,500	$1,500

RECOMMENDED ACTION:

It is recommended that your Board adopt a resolution authorizing the Board Chair to sign and the Executive Director to implement an agreement with Deutsche Bank to serve as the Trustee for the EBRCSA.

RESOLUTION NO. 11-___

A RESOLUTION OF THE
EAST BAY REGIONAL COMMUNICATIONS SYSTEM AUTHORITY
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RESOLUTION AUTHORIZING THE CHAIR TO EXECUTE AND THE EXECUTIVE DIRECTOR TO IMPLEMENT A TRUSTEE SERVICES AGREEMENT WITH DEUTSCHE BANK

WHEREAS, the East Bay Regional Communications System Authority ("EBRCSA") previously entered into a Trust Agreement with Alameda County and Contra Costa County (the "Counties") for the issuance of bonds; and

WHEREAS, upon the sale of bonds the EBRCSA is required to obtain the services of an independent Trustee; and

WHEREAS, KNN, the EBRCSA's financial advisor in connection with the bond financing, has obtained Trustee proposals from Deutsche Bank and Wells Fargo Bank, and has found their qualifications and service levels to be comparable; and

WHEREAS, Deutsche Bank's proposal was the more financially competitive, consisting of $1,500 in initial fees and $1,500 in annual fees.

NOW, THEREFORE, BE IT RESOLVED THAT the Board of Directors of the East Bay Regional Communications System Authority: (1) authorizes its Chair to execute a contract with Deutsche Bank for Trustee services in accordance with KNN's recommendation and review by the EBRCSA's Counsel; and (2) authorizes its Executive Director to take such further action as may be necessary and appropriate to implement such contract.

On motion of xx, seconded by xx, the foregoing Resolution was passed and adopted this __th day of _____, 2011, by the following votes:

AYES:

NOES:

ABSTENTIONS:

ABSENT:

ATTEST: _____

Susan Lyon, Secretary

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