

CITY OF LYNDEN

EXECUTIVE SUMMARY



Meeting Date:	July 15, 2019	
Name of Agenda Item:	Ordinance No. 1588 – Extension of Line of Credit; Banner Bank Proposal	
Section of Agenda:	Consent	
Department:	Finance	
Council Committee Review:	<input type="checkbox"/> Community Development <input checked="" type="checkbox"/> Finance <input type="checkbox"/> Parks	<input type="checkbox"/> Public Safety <input type="checkbox"/> Public Works <input type="checkbox"/> Other: _____
	Legal Review: <input checked="" type="checkbox"/> Yes - Reviewed <input type="checkbox"/> No - Not Reviewed <input type="checkbox"/> Review Not Required	
Attachments:		
1) Ordinance No. 1588 – Extension of Line of Credit with Banner Bank 2) Banner Bank Proposal		
Summary Statement:		
<p>Ordinance No. 1231 was approved by council on May 2, 2005. It allowed the city to have a revolving line of credit. The notes have provided interim financing for capital projects such as the Water Reservoir project (for DWSRF reimbursement), Arterial Street capital improvements, Police Station Acquisition/Remodel (prior to issuance of permanent financing), and East Lynden Sewer Sub-Basin improvement projects.</p> <p>Presently, outstanding balances on the line of credit consist of several funds awaiting reimbursement monies; Pepin Creek project, Riverview Road, and Jim Kaemingk Sr. Trail Extension. The line of credit is available to provide interim financing for LPD Stonegarden grant reimbursements and Street Capital Construction projects. These projects are secured by grant and/or other intergovernmental funding on a reimbursement basis.</p> <p>Since 2005, Ordinance No. 1231 has been amended by Ordinance No. 1261, 1295, 1319, 1355, 1376, 1400, 1420, 1444, 1467, 1485, 1510, 1534 and 1558 each authorizing an extension of the maturity date of the notes. The city received an offer from Banner Bank (formerly Skagit State Bank) to extend the maturity date of the notes from July 31, 2019 to July 31, 2020 at a rate of 3.75%, which is a 0% increase from the previous rate. The closing date is anticipated to be July 31, 2019.</p> <p>The City's Bond Counsel and Finance Director have reviewed this proposal prior to its review by the Finance Committee on July 15, 2019.</p>		
Recommended Action:		
That the Council approve Ordinance No. XXXX as presented and authorize the Mayor's signature.		