

# CITY OF LYNDEN

## EXECUTIVE SUMMARY – Finance



<b>Finance Meeting Date:</b>	July 20, 2020	
<b>Name of Agenda Item:</b>	Ordinance No. 1606 - Line of Credit Renewal	
<b>Section of Agenda:</b>	Consent	
<b>Next Steps Proposed by Staff:</b>	<input type="checkbox"/> Staff Revisions <input type="checkbox"/> Other: _____ <input type="checkbox"/> Return to Finance Committee <input checked="" type="checkbox"/> Schedule for full Council	<b>Legal Review:</b> <input checked="" type="checkbox"/> Yes - Reviewed <input type="checkbox"/> No - Not Reviewed <input type="checkbox"/> Review Not Required
<b>Attachments:</b>	Ordinance No. 1606 – Line of Credit Renewal	
<b>Summary Statement:</b>	<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 money. The line of credit is available to provide interim financing for 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, 1558 and 1588 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, 2020 to July 31, 2021 at a rate of 3.64%, which is a 0.06% decrease from the previous rate. The closing date is anticipated to be July 31, 2020.</p> <p>The City's Bond Counsel and Finance Director have reviewed this proposal prior to its review by the Finance Committee on July 20, 2020.</p>	
<b>Recommended Action:</b>	That the Council approve Ordinance No. 1606 as presented and authorize the Mayor's signature.	