

# CITY OF LYNDEN

## EXECUTIVE SUMMARY - FINANCE



<b>Meeting Date:</b>	Sept 7, 2021	
<b>Name of Agenda Item:</b>	Ordinance No. 1634 – Amendatory Ordinance to Increase the Line of Credit Limit	
<b>Section of Agenda:</b>	Consent	
<b>Department:</b>	Finance	
<b>Council Committee Review:</b>	<input type="checkbox"/> Community Development <input type="checkbox"/> Finance <input type="checkbox"/> Parks	<input type="checkbox"/> Public Safety <input type="checkbox"/> Public Works <input checked="" type="checkbox"/> Other: _____
<b>Legal Review:</b>	<input type="checkbox"/> Yes - Reviewed <input type="checkbox"/> No - Not Reviewed <input checked="" type="checkbox"/> Review Not Required	
<b>Attachments:</b>	Ordinance No. 1634 – Amendatory Ordinance to Increase the Line of Credit Limit	
<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 from State and Federal Grants. 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>The current Line of Credit Limit is set at \$2,100,000. The level of funding required on current projects is going to exceed the current limit. Ordinance No. 1634 is an amendatory Ordinance that would increase the current \$2,100,000 line of credit limit up to \$3,000,000. The City's Bond Counsel and Finance Director have reviewed this proposal.</p> <p>The Finance Committee was notified of the requested increase prior to the September 7<sup>th</sup>, 2021 City Council meeting.</p>	
<b>Recommended Action:</b>	That the Council approve Ordinance No. 1634 as presented and authorize the Mayor's signature.	