



MEMORANDUM

DATE: November 18, 2024

TO: City Council

A handwritten signature in cursive script, reading "Brooks Chandler".

FROM: Brooks Chandler, Interim City Manager

SUBJECT: *Resolution No. 24-11-01- Open Bank Account*

As of the date of this memorandum the City is in the final steps of establishing an interest-bearing account in which to deposit a little more than \$82,000,000 in funds previously held by the ACOE as Nome's initial contribution to the costs of construction of the Port expansion project. This account will be distinct from the City's general fund. It is being established as an escrow account under the terms of an agreement provided to Nome by ACOE for this purpose. ACOE has indicated much of these funds may be held in escrow until such time as a contract is awarded. The City cannot touch the principal. Interest on the principal can only be used to cover expenses of the project.

NCO 2.05.030(a) suggests that establishing a new bank account requires Council approval. Establishing these accounts (a separate account will be used to cover what will be fairly insignificant bank fees) will obviously benefit Nome making approval of the Resolution a "no brainer". If the Resolution is adopted there will be some paperwork for the Mayor to sign preferably at the conclusion of Monday's Council meeting.

Finance Director Nickie Crowe and Project Manager Joy Baker are to be commended for their assistance in this effort. For a time it appeared Nome was likely to lose out on at least one month's interest due to internal ACOE deadlines for transferring money. But Nickie came up with a plan that allowed the City to meet the deadline. Joy diligently urged ACOE to act more swiftly than is their custom. Because of this more than \$200,000 in interest most likely will be realized before the end of the year.