

Presented by:
City Manager / Finance Director
Action Taken:
Yes ____
No ____
Abstain ____

CITY OF NOME, ALASKA

RESOLUTION NO. 24-11-01

**A RESOLUTION TO OPEN AN ACCOUNT FOR THE DEPOSIT OF FUNDS PENDING
TRANSFER TO THE UNITED STATES ARMY CORPS OF ENGINEERS AS PROVIDED BY
ARTICLE IV C (1) OF THE PROJECT COOPERATION AGREEMENT FOR THE PORT OF NOME
MODIFICATIONS**

WHEREAS, The City of Nome (“Nome”) and the Department of the Army (“the Government”) are parties to that certain Project Partnership Agreement (“PPA”) for Port of Nome Modifications Project (“Project”); and

WHEREAS, the PPA identifies the City of Nome as the “Non-Federal Sponsor” of the Project; and

WHEREAS, as the Non-Federal Sponsor Nome is responsible for ten percent of the cost of constructing the Project and 100% of the cost of construction of local service facilities related to the Project (“Non-Federal Cost Share”); and

WHEREAS, Nome previously deposited funds with the Government to cover a portion of Nome’s Non Federal Cost Share (“the Deposit”); and

WHEREAS, at the time Nome made the Deposit it was anticipated that a construction contract for the Project would be awarded in 2024; and

WHEREAS, on or about October 17, 2024 the Government issued a notice of cancellation of the solicitation of bids for constructing the Project; and

WHEREAS, the Government now anticipates a construction contract for the Project will not be awarded until 2025 (“the Delay”); and

WHEREAS, Article IV C(1) of the PPA states payment of the Non-Federal Cost share may be made by “verifying to the satisfaction of the Government” that Nome “had deposited such funds in an escrow or other account acceptable to the Government with interest accruing” to Nome; and

WHEREAS, due to the Delay, the Government has agreed to allow Nome to place the remaining amount of the Deposit in an interest bearing account (“the Account”) with interest

accruing to Nome; to be used for payment of future Non-Federal Cost Share contributions for the Project and

WHEREAS, the amount of money available for deposit into the Account is estimated to be in excess of \$80,000,000 and the potential interest accruing on these funds is considerable; and

WHEREAS, Nome and the State of Alaska are parties to that certain Grant Agreement dated September 13, 2022 ("Grant") which provided partial funding for the Project; and

WHEREAS, Article 10 of Attachment C to the Grant states, "Program income earned during the award period shall be retained by the Grantee and added to the funds committed to the award and used for the purpose and under the conditions applicable to the use of award funds." and;

WHEREAS, interest earned on the Account will be "program income" and only used for the Project; and

WHEREAS, it is in the best interest of the public that the City of Nome take advantage of the opportunity to use accrued interest on the Account to meet Nome's obligations under the PPA and Grant;

NOW, THEREFORE, BE IT RESOLVED

1. The Interim City Manager, Project Manager and Finance Director are hereby authorized to open an Account with Northrim Bank upon such conditions as are acceptable to the Government.
2. All interest earnings on the Account must be used in payment of Nome's Non Federal Cost Share for the Project.

APPROVED and **SIGNED** this 25rd day of November, 2024.

JOHN K. HANDELAND
Mayor

ATTEST:

DAN GRIMMER
City Clerk/Treasurer