

Introduced by: Acting City Manager Howell
Date: June 11, 2019
Action: Passed
Vote: 6-1

CITY OF BETHEL, ALASKA

Resolution #19-06

A RESOLUTION BY THE BETHEL CITY COUNCIL AUTHORIZING ADMINISTRATION TO NEGOTIATE AND EXECUTE A LOAN COMMITMENT TO BE CONVERTED INTO AN INTERIM BOND FOR THE AVENUES WATER AND SEWER IMPROVEMENTS

WHEREAS, the Bethel City Council is the legislative body of the City of Bethel, Alaska, a municipal corporation;

WHEREAS; Bethel City Council approved Resolution #18-21: USDA-RD Loan Resolution to Fund Water and Sewer Improvements in the Avenues (RUS Bulletin 1780-27);

WHEREAS, the Letter of Conditions dated September 10, 2018 from the United States Department of Agriculture – Rural Development requires the City to obtain interim financing for the project before the USDA Loan would close to cover all the interim financing costs, including interest and fees;

WHEREAS, the previous City Manager sought written quotes from four financial institutions regarding the terms and conditions of interim financing,

WHEREAS, upon receipt of the proposals, all four were forwarded to bond counsel for evaluation;

WHEREAS, bond counsel summarized the terms and conditions being proposed into language that was easy to understand and allowed for a true comparison;

WHEREAS, the previous City Manager compared all proposals and selected the one by First National Bank of Alaska because it provided the best overall terms and fees;

WHEREAS, the interim amount to be financed is Eight Million Two Hundred Fifty Thousand Dollars (\$8,250,000), or the amount of the USDA-approved loan;

WHEREAS, before the interim loan can be granted, First National Bank of Alaska requires the City to accept the general loan terms and to place a Ten Thousand Dollar (\$10,000) commitment fee towards the ultimate interim loan;

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WHEREAS, the City Council's passage of this this Resolution is not the passage of the interim financing, but is instead the Council's formal commitment to pursue the interim financing as required by the USDA;

WHEREAS, it is understood that the actual interim bond will be presented in the near future, once the interim financing from First National Bank of Alaska has been secured;

WHEREAS, the City Council authorizes the Acting City Manager, William F. Howell, III to negotiate and execute the loan initiation documents;

WHEREAS, Acting City Manager shall not sign any actual loan documents until Bethel City Council has approved the interim bond;

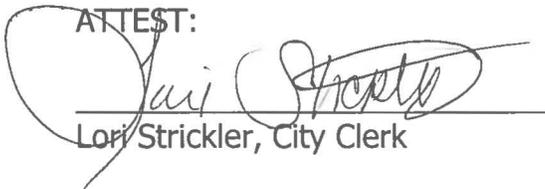
NOW, THEREFORE, BE IT RESOLVED THAT the City of Bethel authorizes the Acting City Manager to negotiate and execute an interim loan financing and loan commitment request with First National Bank of Alaska, that includes a down payment to lock in interest rates, in order to fund the Avenues Water and Sewer Improvements Project.

PASSED AND APPROVED THIS 11th DAY OF JUNE 2019, BY A 6 VOTE IN FAVOR AND A 1 VOTE IN OPPOSITION.



Fred Watson, Mayor

ATTEST:



Lori Strickler, City Clerk