

## Item Cover Page

### CITY COUNCIL MEETING AGENDA ITEM REPORT

**DATE:** March 25, 2026

**SUBMITTED BY:** Rob Perry, City Administration

**ITEM TYPE:** Miscellaneous

**AGENDA SECTION:** NEW BUSINESS BY DEPARTMENT HEADS, CITY ATTORNEY AND COUNCIL

**SUBJECT:** Approval for City Administration to Solicit a Tax-Exempt Revolving Line of Credit for Utility Bridge Financing Purposes

**SUGGESTED ACTION:** Approval

**Is this item Quasi-Judicial?**

No

**Does this item require a public hearing?**

No

**EXPLANATION:**

The City Administrator is requesting approval of the City's Municipal Advisor, PFM Financial Advisors LLC to advertise a Request for Proposals (RFP) for financial institutions to offer a tax-exempt revolving line of credit for an amount not-to-exceed \$10,000,000 for specific utility projects. The bridge financing will provide interim funding for capital improvement projects and will be secured by a pledge of net revenues of the City's Water and Sewer System. The System's only outstanding debt consists of SRF loans.

This financing option is crucial for ensuring the timely execution of the projects, provide bridge financing in order to meet pay applications, equipment, supplies, and other transitory expenses pending reimbursement of external/internal funding sources allowing the City to maintain and enhance its utility infrastructure. In addition, this strategic approach will enable the City to address urgent construction grant deadline needs and reporting requirements while also promoting sustainable growth. By leveraging these funds effectively, the City aims to improve service delivery and foster community development in the long term.

**FINANCIAL IMPACT:**

None at this time. Interest and financing costs related to bridge financing may be reimbursable in accordance with grant terms and conditions.

**ATTORNEY REVIEW/RECOMMENDATION:**

The City's Bond Counsel, Nabors, Giblin & Nickerson, P.A., will prepare documents relating to the credit line and those documents will be brought before Council for final approval.

**SUGGESTED MOTION:**

Motion to authorize the City Administrator to solicit banking agreements and terms for a \$10,000,000 line of credit related to bridge financing for utility projects and to develop and submit to City Council a policy for authorization to borrow needed funds.

**ATTACHMENTS:**