



# City of Grand Island

Tuesday, January 27, 2004

Council Session

## Item G7

### **#2004-16 - Approving Short Term Financing**

*Because of short term fluctuations in the City's cash receipts, our working capital balance at our lead bank may from time to time, fall very low or go negative. Normally, this is taken care of by cashing in one of our certificates of deposit which are usually invested for one year terms. Even though these long-term funds have staggered monthly maturities, there may be a few days to a few weeks when cash is needed, and significant penalties would be incurred on an early redemption of a long-term investment. We would propose bridging these brief periods with a short-term lending agreement with our lead bank Wells Fargo. Approval is recommended.*

Staff Contact: David Springer

RESOLUTION 2004-16

WHEREAS, the City of Grand Island presently has Certificates of Deposit which will mature in the near future; and

WHEREAS, cashing in such Certificates of Deposit prior to their maturity date will subject the City to penalties; and

WHEREAS, the City is in need of financing for operating expenses prior to the maturity date of such Certificates of Deposit; and

WHEREAS, due to the financing terms available at the present time, it would be advantageous for the City to obtain short term financing for such operating expenses instead of cashing in Certificates of Deposit which would result in penalties and a lesser net return on the money; and

WHEREAS, it is recommended that the City obtain short term financing in the amount of \$5,000,000 from Wells Fargo Bank, NA to pay for operating expenses, with a maturity date on such loan of February 1, 2005.

NOW, THEREFORE, BE IT RESOLVED BY THE MAYOR AND COUNCIL OF THE CITY OF GRAND ISLAND, NEBRASKA, that short term financing with Wells Fargo Bank, NA for operating expenses in the amount of \$5,000,000 is hereby approved in accordance with the terms of the Promissory Note and related documents.

BE IT FURTHER RESOLVED, that the Mayor is hereby authorized to execute such promissory note and related documentation on behalf of the City of Grand Island to complete such financial arrangements.

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Adopted by the City Council of the City of Grand Island, Nebraska, January 27, 2004.

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RaNae Edwards, City Clerk

Approved as to Form	☐ _____
January 22, 2004	☐ City Attorney