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City of Bethlehem Memorandum

TO: Eric R. Evans, City Council President
FROM: Mark W. Sivak, Director of Budget & Finance *MWS*
DATE: August 16, 2013
SUBJECT: Water Note and Reduction in Line of Credit

This memo is to inform City Council that the Administration will be requesting first reading of a debt ordinance at the September 3rd Council meeting.

As was discussed during the 2013 budget hearings, we are looking to proceed with a \$1,765,000 General Obligation Note in the Water Fund. Simultaneously we will be reducing the Water Line of Credit, which is the 2010A Note, by \$1,765,000 from \$8,100,000 down to \$6,335,000.

The new General Obligation Note will be for a one-year term and will become due the same time as the Line of Credit/2010A Note in 2014. Again, as we discussed during the budget hearings, these two Notes will then be part of the larger Water Fund debt restructuring planned for 2014.

The timeline is that first reading of the debt ordinance will occur September 3rd with second reading at the September 17th meeting. We will have a Finance Committee in between that time with the final proposal from the bank which at this time looks to be Lafayette Ambassador Bank. They also currently hold the Line of Credit/2010A Note.

If you have any questions or need additional information please let me know.

cc: Members of Council
Mayor Callahan
D. Reichard
R. Pfenning