

# RESOLUTION OF THE CITY COUNCIL

No. 497

Approved NOVEMBER 8, 2007

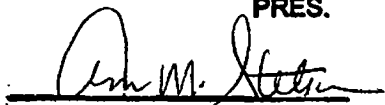
RESOLVED, that His Honor, the Mayor, is hereby authorized to execute an amendment to the existing revolving credit agreement between the City of Providence, on behalf of the Providence Water Supply Board, and Bank of America, N.A., for a Two Million Seven Hundred and Fifty Thousand Dollar (\$2,750,000.00) revolving loan for a 364 day period through August 09, 2008.

The terms and conditions of the agreement and any promissory note delivered in connection therewith shall be consistent with the Board of Contract and Supply award of June 26, 2006 to Bank of America, N. A., the lowest qualified bidder, for RFP for Short Term Line of Credit Borrowing up to \$2,750,000.00 plus interest, in an amount not to exceed 50 basis points above the floating LIBOR Rate (or greater upon the occurrence of an event of default).

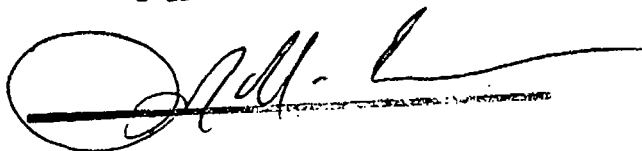
IN CITY COUNCIL  
NOV 1 2007  
READ AND PASSED



PRES.

  
CLERK

APPROVED



MAYOR 11/8/07

2007 JUN 13 P 3:09  
CITY CLERK  
PROVIDENCE, RI

READ AND PASSED  
BY  
CITY CLERK

IN CITY COUNCIL  
JUN 21 2007  
FIRST READING  
REFERRED TO COMMITTEE ON  
FINANCE  
*Ann M. Stetson*  
CLERK

THE COMMITTEE ON  
FINANCE  
Approves Passage of  
The Within Ordinance Resolution  
*Ann M. Stetson*  
Clerk  
10-18-07

Councilman DeLuca and Councilman Solomon, By Request

**Providence Water**  
**Resolution authorizing amendment to revolving credit agreement (line of credit)**  
**Finance Committee 10/18/07**

**Purpose**

- Resolution will authorize Mayor to sign an agreement for a new line of credit for the second of three years

**Analysis**

- Original agreement was initiated in 2000, the contract was rebid in 2003, and again in 2006
- This can only be used for our Infrastructure Replacement Fund or Automated Meter Reading Fund
- Will provide cash flow for the construction season and to meet contractual demands
- The Providence Water Board approved the line of credit on June 20, 2007, see attached
- The Board of Contract and Supply approved the renewal with Bank of America on June 25, 2007, see attached
- Interest rate is variable at LIBOR plus 50 basis points (a reduction of 20 points from prior contract)
- Maximum outstanding at any given time could be \$2.75 million dollars
- Line of credit will be paid off within the year with a new expiration date of August 09, 2008

**Fiscal Impact**

- Line of Credit has no impact on the City of Providence
- Interest is charged to the restricted IFR or AMR accounts
- IFR fund is \$13.2 million per year, AMR is \$700,000 in the FY '08 budget
- Total Interest expense for most recent year was \$8,835, previous year to date was \$28,663, see attached history.

**Recommendation**

- Finance Committee approve the Resolution

ANDREW K. MOFFIT  
*Chairman*  
JOSEPH D. CATALDI  
*Vice Chairman*  
JOHN C. SIMMONS  
*Ex-Officio*  
CARISSA R. RICHARD  
*Secretary*  
FERNANDO S. CUNHA, ESQ.  
*Legal Advisor*



DAVID N. CICILLINE  
*Mayor*  
PAMELA M. MARCHAND, P.E.  
*Chief Engineer & General Manager*  
JOSEPH DE LUCA  
*City Councilman*  
MICHAEL A. SOLOMON  
*City Councilman*  
JOHN A. FARNOLI  
*Member*  
EVERETT BIANCO  
*Member*

## CERTIFICATE OF SECRETARY

I, Carissa R. Richard, do upon oath say:

1. That I am the duly appointed Secretary of the Providence Water Supply Board (PWSB), an entity established by the Home Rule Charter of the City of Providence.
2. That at the regular monthly meeting of the PWSB held on Wednesday, June 20, 2007, the following was voted by all members of the Providence Water Supply Board present:

RESOLVED: That the Board of Directors voted to authorize the Chief Engineer and General Manager, and the staff, to process the necessary paperwork to renew a one year, two million seven hundred and fifty thousand dollar (\$2,750,000.00) revolving line of credit.

In Witness Whereof, I have set my hand this 26<sup>th</sup> day of June, 2007.

A handwritten signature in cursive script that reads "Carissa R. Richard".

Carissa R. Richard  
Secretary  
Providence Water Supply Board

STATE OF RHODE ISLAND  
PROVIDENCE, sc.

In Providence on the 26<sup>th</sup> day of June, 2007, there personally appeared before me the above-named, Carissa R. Richard, individually and in her capacity as Secretary of the Providence Water Supply Board, and she acknowledged the execution of this certificate to be her free act and deed and in her said capacity.

A handwritten signature in cursive script that reads "Joseph P. Murphy".

Notary Public: Joseph P. Murphy  
My Commission Expires: 3/27/10

[WWW.PROVWATER.COM](http://WWW.PROVWATER.COM)

City of Providence



Rhode Island

Department of City Clerk

MEMORANDUM

DATE: June 25, 2007

TO: Acting Purchasing Director

SUBJECT: APPROVAL TO RENEW THE WATER SUPPLY BOARD'S  
LINE OF CREDIT WITH BANK OF AMERICA - WATER  
SUPPLY BOARD

CONSIDERED BY: Board of Contract and Supply

DISPOSITION: VOTED: that the Board of Contract and Supply hereby  
authorizes approval to renew the Water Supply  
Board's line of credit, for an additional year, with  
Bank of America, in a total amount not to exceed  
One Hundred Fifty Thousand Dollars  
(\$150,000.00) as per the terms and the conditions  
of the original specifications, all in accordance  
with the request of Chief Engineer and General  
Manager Marchand, in communication dated June  
12, 2007.

cc:Pur.Dir.  
Contr.  
WSB  
File

*Anne M. Stetson*

City Clerk

**Fleet Revolving Credit Agreement**  
**Dated August 2006**

Infrastructure Fund			AMR Fund		
Repayment	Outstanding	Interest	Repayment	Outstanding	Interest
<u>Amount</u>	<u>Balance</u>	<u>Cost</u>	<u>Amount</u>	<u>Balance</u>	<u>Cost</u>
	\$0	\$0	01/30/07	\$300,000	\$0
\$0	0	<u>0</u>	04/30/07	\$0	4,395
			07/30/07	300,000	<u>4,440</u>
Total		<u>\$0</u>			<u>\$8,835</u> <u>\$8,835</u>

Notes: The original Revolving Credit agreement was dated 8/17/00.  
This amendment was dated August 2006 with a new maturity date of 08/10/07.  
Legal costs to process amendment in 2003 was \$604.  
Legal costs to process amendment in 2004 was \$250.  
Legal costs to process amendment in 2005 was \$631.  
Legal costs to process amendment in 2006 was \$0.

**Fleet Revolving Credit Agreement**  
**Dated August 2005**

Infrastructure Fund			AMR Fund		
Repayment <u>Amount</u>	Outstanding <u>Balance</u>	Interest <u>Cost</u>	Repayment <u>Amount</u>	Outstanding <u>Balance</u>	Interest <u>Cost</u>
	\$0	\$0	08/18/05	\$735,000	\$0
\$0	0	0	10/18/05	\$0	5,493
0	0	0	11/17/05	0	0
0	0	0	12/19/05	100,000	6,025
0	0	0	01/18/06	75,000	2,683
0	0	<u>0</u>	02/18/06	0	0
			03/20/06	0	4,961
			04/20/06	0	2,641
			05/19/06	0	2,536
			05/22/06	75,000	0
			06/19/06	100,000	2,414
			07/24/06	385,000	<u>1,910</u>

Total	<u>\$0</u>	<u>\$28,663</u>	<u>\$28,663</u>
-------	------------	-----------------	-----------------

Notes: The original Revolving Credit agreement was dated 8/17/00.  
This amendment was dated August 2005 with a new maturity date of 08/11/06.

Legal costs to process amendment in 2003 was \$604.

Legal costs to process amendment in 2004 was \$250.

Legal costs to process amendment in 2005 was \$631.