



To: Board of Directors
From: Kathleen Rawson, Steven Welliver, Lorin Lappin
Date: October 15, 2026
Subject: Line of Credit Renewal

Committee Recommendation

Finance Committee recommends Board of Directors take the following actions:

1. Approve renewal of \$1M Line of Credit with City National Bank for two years, through Dec. 31, 2028, with Resolution to be finalized by 2026-27 Board Officers.

Prior Action

Oct. 12, 2026: Finance Committee recommended approval of the Line of Credit renewal.

Information

- The \$1M line of credit was opened with City National Bank (CNB) in Jan. 2019.
- The initial purpose of the Line of Credit (LOC) was to make operating cash available after the Jan. 1, 2019 BID renewal until the first assessments could be collected; cash on hand at the end of 2018 was transferred to the legacy funds.
- A \$500,000 disbursement was requested on Jan. 7, 2019 and repaid in the amount of \$503,320.31 with interest; no disbursements have been requested since.
- The LOC was extended by the Board in 2020, 2022 and 2024 for two years each.
- Staff recommend maintaining the LOC to preserve cash flow in the event of a lower than projected carry forward and in preparation for the PBID renewal.
- Carry fees for the line of credit will remain flat at \$4,000 annually.
- Any loan against the LOC will bear interest from disbursement until due at a rate equal to, at Borrower's option, either: a) for a Daily Simple SOFR Loan, the greater of (i) the Floor¹ for a Daily Simple SOFR Loan and (ii) Daily Simple SOFR plus two percent (2%); or b) for a Prime Loan, the greater of (i) the Floor¹ for a Prime Loan and (ii) Prime Rate.
- The one-time loan fee for the renewal will remain at \$3,500.

Next Steps

- Staff to submit Resolution to City National Bank.

¹ Floor: a rate per annum equal to, as applicable (i) for a Prime Loan, two percent (2.00%) and (ii) for a Daily Simple SOFR Loan, two percent (2.00%)