

RESOLUTION NO. RS2018-1085 (VERCHER) – This resolution would authorize a short-term extension to the liquidity facility agreement related to the Metro Government’s water and sewer commercial paper program.

On August 18, 2015, the Metro Council adopted Resolution No. RS2015-1604. Pursuant to that resolution, the Metropolitan Government has issued and has outstanding water and sewer revenue bond anticipation notes in the form of commercial paper. Metro entered into a Letter of

Credit and Reimbursement Agreement with the Bank of Tokyo-Mitsubishi UFJ, Ltd. The Letter of Credit and Reimbursement Agreement are set to expire April 13, 2018. While Metro has determined to implement a new water and sewer commercial paper program through a requests-for-proposals process, that process will not allow for implementation of the new program by April 13, 2018.

The Bank of Tokyo has agreed to extend the Letter of Credit and Reimbursement Agreement for up to 90 days, with an agreement for payment of a facility fee and Bank Counsel fee related to the extension.

The resolution under consideration would approve the 90-day extension of the Letter of Credit and Reimbursement Agreement and authorize the Mayor, Metropolitan Clerk, Director of Finance, Metropolitan Treasurer and the other officers and employees of Metro to do any and all things, and to execute and deliver any and all documents, necessary or advisable to effectuate the purposes of this resolution.

Fiscal Note: The facility fee for the extension would be 50 basis points per annum, prorated to the amount of time it is in force. A basis point is equivalent to one-hundredth of one percent (0.01%). Therefore, 50 basis points would equate to 0.5% per annum. A Bank Counsel fee of \$5,000 would also be due at the closing of the extension.