



BELLINGHAM CITY COUNCIL

210 Lottie Street, Bellingham, Washington 98225
Telephone (360) 778-8200 Fax (360)778-8101
Email: ccmil@cob.org Website: www.cob.org

MEMORANDUM

TO: Council Members

FROM: Michael Lilliquist, Finance Committee Chair

DATE: September 22, 2011

RE: Report from Finance Committee Meeting, Sept 22, 2011

The Finance Committee explored approaches to developing and evaluating options for repayment of the \$3.4 million interfund loan that provides partial funding for the agreed purchase of the Chuckanut Ridge property for use as public open space. The committee did not try to decide among the options at this time. Several repayment options exist, including the implied default option to sell a portion of the real property at or before the end of the loan term. It was expressed that this default option may not be the preferred path, however. The committee discussed parameters for a process by which other solutions, perhaps in combination, could be explored and pursued by city officials and staff and by interested members of the public.

Wishing to provide some guidance to these explorations, the committee makes the following recommendations:

- 1) The committee recognizes that the real property serves as the collateral for the loan, and that the default form of repayment is the sale of part of the property, subject to specific evaluation at that time. Therefore, the committee recommends that the status of the property as collateral be made clear by amending the recital language of the financing ordinance (AB 19317). CAO David Webster has agreed to work with Finance Director John Carter to develop proposed language to make it clear that indicating the real property is collateral for the interfund loan is not the same as indicating an intention to sell.

Jack Weiss
Council Member
1st Ward
738-2103
JWeiss@cob.org

Gene Knutson
Council Member
2nd Ward
734-4686
GKnutson@cob.org

Barry Buchanan
Council Member
3rd Ward
734-6639
BBuchanan@cob.org

Stan Snapp
Council Member
4th Ward
305-0607
SSnapp@cob.org

Terry Bornemann
Council Member
5th Ward
305-0606
TBornemann@cob.org

Michael Lilliquist
Council Member
6th Ward
920-1583
MLilliquist@cob.org

Seth Fleetwood
Council Member
At-Large
671-5599
SFleetwood@cob.org