



May 13, 2015

## Auditor

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Darrell Vanyo, Chairperson  
Diversion Board of Authority  
211 9<sup>th</sup> St. S.  
Fargo ND 58103

Re: Loan Drawdown Requests

Dear Chairman Vanyo:

The City of Fargo has completed the loan application procedure with U. S. Bank for \$50 million and as part of the closing we have to do an initial drawdown of loan funds in the amount of \$5,000,000. As part of the Intergovernmental Agreement between Cass County and the City of Fargo drawdown requests have to be approved by the Diversion Authority Finance Committee.

The Finance Committee considered the draw request at their May 13, 2015 meeting and approved the request. Future draw requests will come forward as cash is needed for diversion related expenses, we plan on large draws to avoid having to make frequent draws.

We do have procedures for use of the borrowed funds, we would first use the borrowed funds for the payment of expenses until the draw amount is exhausted allowing both the city and the county sales tax funds to accumulate for a few months. The city would continue to pay the bills for the Diversion Authority and bill the county as they have in the past, the difference is the entire bill would be paid from the loan proceeds instead of the city and county each covering their portion.

Sincerely,

Michael Montplaisir  
Finance Chairperson  
Diversion Board of Authority

### SUGGESTED MOTION:

Move to approve a draw request for loan funds from U.S. Bank in the amount of \$5,000,000 to cover the expected legal and closing costs of obtaining the loan.

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