

CITY OF MARYSVILLE AGENDA BILL

EXECUTIVE SUMMARY FOR ACTION

CITY COUNCIL MEETING DATE: 12/10/12

AGENDA ITEM: A Resolution Amending Resolution 2296 of the City of Marysville Authorizing a Interfund Loan Not to Exceed \$841,000 From the Waterworks Utility Fund 401 to the Golf Fund 420, and Proving a Formula for Payment of Interest	
PREPARED BY: Denise Gritton, Financial Planning Manager DEPARTMENT: Finance	DIRECTOR APPROVAL:
ATTACHMENTS:	
BUDGET CODE:	AMOUNT:

SUMMARY:

The Golf Course Fund required an interfund loan in 2009 of \$483,160 and \$841,000 in 2010. The 2009 interfund loan will be satisfied in 2012 and \$443,000 of 2010 portion is planned to be satisfied in 2013, with the balance of \$398,000 to be satisfied in 2014.

Staff would like to amend the resolution to identify the 2010 interfund loan due date of December 31, 2014.

RECOMMENDED ACTION:
Staff recommends the council approve a Resolution Amending Resolution 2296 of the City of Marysville Authorizing a Interfund Loan Not to Exceed \$841,000 From the Waterworks Utility Fund 401 to the Golf Fund 420, and Proving a Formula for Payment of Interest

CITY OF MARYSILLE
Marysville, Washington

RESOLUTION NO. _____

A RESOLUTION AMENDING RESOLUTION 2296 OF THE CITY OF MARYSVILLE AUTHORIZING A INTERFUND LOAN NOT TO EXCEED \$841,000 FROM THE WATERWORKS UTILITY FUND 401 TO THE GOLF FUND 420, AND PROVIDING A FORMULA FOR PAYMENT OF INTEREST.

WHEREAS, pursuant to Resolution No. 2272 the Marysville City Council authorized an interfund loan in an amount not to exceed \$700,000 from the Waterworks Utility Fund 401 to the Golf Fund 401 for the purpose of subsidizing the ongoing municipal Golf Course operations until December 31, 2012; and

WHEREAS, pursuant to Resolution No. 2296 the Marysville City Council increased the amount of the interfund loan to an amount not to exceed \$1,500,000; and

WHEREAS, the Golf Course borrowed \$483,160 in 2009 and an additional \$841,000 in 2010, for a total of \$1,324,160; and

WHEREAS, in July 2012, the Golf Course repaid \$483,160, the full amount borrowed in 2009; and

WHEREAS, the balance still outstanding was borrowed in 2010, \$443,000 to be paid on December 31, 2013 and the balance of \$398,000 to be paid on or before December 31, 2014; and

WHEREAS, City golf course operations continue to require additional short term financing; and

WHEREAS, the Waterworks Utility Fund 401 will have sufficient cash balances remaining after loan funds are transferred, and will not be depleted so as to render the fund unable to fulfill its function; and

WHEREAS, interest on the said loan is subject to interest imposed at a rate as set forth by the Local Government Investment Pool, which rate is equal to or higher than the rate that the Waterworks Utility Fund 401 would otherwise earn; and

WHEREAS, remaining loan amounts will be repaid until permanent financing is complete;

NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF MARYSVILLE, WASHINGTON AS FOLLOWS:

Section 1. Section 1 of Resolution No. 2296 is amended to read as follows:

There is established an interfund loan not to exceed \$841,000 from the Waterworks Utility Fund 401 to the Golf Course Fund 420.

Section 3. Section 3 of Resolution No. 2296 is amended to read as follows:

The Loan balance of \$841,000 shall be repaid with interest at a rate as set forth by the Local Government Investment Pool, from the Golf Course Fund 420 to the Waterworks Utility Fund 401 on or before December 31, 2014.

Except as provided herein, all other provisions of Resolution No. 2296 shall remain in full force and effect.

PASSED by the City Council and APPROVED by the Mayor this _____ day of _____, 2012.

CITY OF MARYSVILLE

By _____
MAYOR

Attest:

By _____
CITY CLERK

Approved as to from:

By _____
CITY ATTORNEY