

CITY OF MARYSVILLE AGENDA BILL

EXECUTIVE SUMMARY FOR ACTION

CITY COUNCIL MEETING DATE: 6/14/2021

AGENDA ITEM:	
A RESOLUTION OF THE CITY OF MARYSVILLE AUTHORIZING A \$105,000 INTERFUND LOAN FROM THE GENERAL FUND 001 TO THE COMMUNITY DEVELOPMENT BLOCK GRANT FUND 109, AND PROVIDING A FORMULA FOR PAYMENT OF INTEREST	
PREPARED BY:	DIRECTOR APPROVAL:
Sandy Langdon, Finance Director	
DEPARTMENT:	
Finance	
ATTACHMENTS:	
Proposed Resolution	
BUDGET CODE:	AMOUNT:
	\$105,000
SUMMARY:	

At the end of 2020 the Community Development Block Grant Fund funded grants to recipients and the timing of the federal reimburse did not occur prior to the end of the year leaving a negative cash balance for the fund. In order to close the financials for 2020 a short-term inter-fund loan is needed.

Federal reimbursement of these funds did occur in January of 2021.

RECOMMENDED ACTION: Staff recommends that Council authorize the Mayor to sign and execute the resolution authorizing a \$105,000 inter-fund loan from the General Fund to the CDBG Fund
RECOMMENDED MOTION: I move to authorize the Mayor to sign and execute Resolution No. _____.

CITY OF MARYSVILLE
Marysville, Washington

RESOLUTION NO. _____

**A RESOLUTION OF THE CITY OF MARYSVILLE AUTHORIZING A
\$105,000 INTERFUND LOAN FROM THE GENERAL FUND 001
TO THE COMMUNITY DEVELOPMENT BLOCK GRANT FUND 109, AND
PROVIDING A FORMULA FOR PAYMENT OF INTEREST.**

WHEREAS, it was the Community Development Block Grant Fund (Fund) was established in 2012, and

WHEREAS, the Fund receives federal funding on a reimbursement basis, and

WHEREAS, the pandemic created a higher need for disbursement of CARES Act funds, and

WHEREAS, the need for short-term financing is necessary and accordingly, establish an short-term inter-fund loan from the General Fund; and

WHEREAS, interest on said loan is subject to interest imposed at a rate to be determined by a formula as recommended by the Local Government Investment Pool; and

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

Section 1. Loan.

There is established an inter-fund loan in the amount of \$105,000.00 from the General Fund 001 to the Community Development Block Grant Fund 109.

Section 2. Interest.

A. The initial interest on said loan shall be set at the rate of 0.13% to reflect current investment rates by the Local Government Investment Pool (LGIP).

Section 3. Repayment.

The Loan shall be repaid with interest from the Community Development Block Grant Fund 109 to the General Fund 001 on or before 6/30/2021.

Section 4. Severability.

If any section, sentence, clause or phrase of this resolution should be held invalid or unconstitutional by a court of competent jurisdiction, such invalidity or unconstitutionality shall not affect the validity or constitutionality of any other section, sentence, clause or phrase of this resolution.

Section 5. Effective Date.

This resolution shall take effect immediately upon passage by the Marysville City Council.

ADOPTED by the City Council at an open public meeting this _____ day of _____, 20____.

CITY OF MARYSVILLE

By _____
Jon Nehring, MAYOR

Attest:

By _____
Tina Brock, DEPUTY CITY CLERK

Approved as to from:

By _____
Jon Walker, CITY ATTORNEY