RESOLUTION NO. 16-0350

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF EDGEWOOD, WASHINGTON, AUTHORIZING AN INTERIM INTERFUND LOAN FROM FUND 001 GENERAL FUND TO FUND 340 CAPITAL PROJECTS - ROADS FUND, FOR A POTENTIAL CASH FLOW LAG FOR GRANT REIMBURSEMENT, SETTING FORTH AN INTEREST RATE AND REPAYMENT SCHEDULE FOR SAID LOAN, AND ESTABLISHING AN EFFECTIVE DATE

WHEREAS Fund 340 Capital Projects - Roads Fund has completed Council approved work associated with construction of the Jovita Seismic Wall Project; and

WHEREAS the project is grant funded; and

WHEREAS the City has approved the construction project funded entirely by State and Federal Grant monies, and said construction is currently ongoing with the potential for interim payments to RW Scott, the contractor, from the Capital Roads fund, that may occur prior to reimbursement by the State for said payments; and

WHEREAS Fund 001 General Fund has sufficient cash to provide for the Interim Interfund loan;

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF EDGEWOOD, WASHINGTON DOES HEREBY RESOLVE AS FOLLOWS:

Section 1. Interfund Loan Authorized. An Interfund loan in an amount not to exceed $1,000,000 is hereby authorized from Fund 001 General Fund to Fund 340 Capital Projects – Roads Fund. The Mayor, or his/her designee, is authorized to transfer an amount sufficient to cover any negative cash balance in Fund 340 Capital Projects – Roads Fund as needed up to the authorized $1,000,000.

Section 2. Payments. Fund 340 Capital Projects – Roads Fund will make payment in full to the General Fund within thirty days of receipt of grant reimbursement from the appropriate State or Federal grant or by March 31, 2017, whichever is earlier. In no instance shall this loan be authorized beyond April 30, 2017 without further action of Council.

Section 3. Interest. Interest shall accrue on the unpaid principal balance of the loan on a monthly basis and will be based on the monthly net interest earned by the City’s investments in the Local Government Investment Pool (LGIP) as published by the LGIP at the end of each month.

Section 4. Effective Date. This Resolution will take effect immediately upon passage by the City Council of the City of Edgewood.
ADOPTED THIS 13TH DAY OF DECEMBER, 2016

Mayor Daryl Eiding

ATTEST/AUTHENTICATED:

Rachel Pitzel, City Clerk