

## MEMORANDUM

TO: Mayor and City Council  
FROM: Roberta Likens, Finance Director  
SUBJECT: RESOLUTION AUTHORIZING AN INTERFUND LOAN TO THE INDUSTRIAL PARK FUND FROM THE STORM DRAIN RESERVE FUND  
DATE: June 14, 2024

### Background

The Industrial Park Fund will receive funds from the sale of property if a prospective buyer completes the purchase. At this time, it is anticipated to occur prior to the close of the current fiscal year. If it doesn't close as planned, it would be necessary to have funds available to pay debt service, a Plan B per se.

Plan B requires authorization of an interfund loan, in the amount of \$235,045, from the Storm Drain Reserve Fund to the Industrial Park Fund, in order to avoid a deficit cash flow. If the funds from the sale are received prior to the close of the current fiscal year, the loan will not be perfected. A supplemental budget being proposed this evening appropriates the funds necessary to service the debt payments, with the loan from the Storm Drain Reserve Fund.


ORS 294.468 allows for interfund transfers if repaid in one year and based on a repayment schedule. The loan is anticipated to be short-term, with repayment occurring upon receipt of the sale proceeds. The loan will bear zero percent interest due to its short-term.

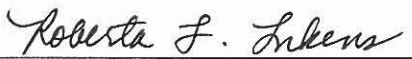
### Recommendation

It is staff's recommendation that Council adopt the resolution authorizing the interfund loan.

### Cost

No cost.

  
\_\_\_\_\_  
Michael Sauerwein, City Manager

  
\_\_\_\_\_  
Roberta Likens, Finance Director

RESOLUTION NO. \_\_\_\_\_

A RESOLUTION AUTHORIZING AN INTERFUND LOAN TO THE INDUSTRIAL PARK FUND  
FROM THE STORM DRAIN RESERVE FUND

WHEREAS, the sale of property in the Industrial Park Fund may not occur prior to the close of fiscal year 2023-2024; and

WHEREAS, the sale of the property is still anticipated, however not certain; and

WHEREAS, there are sufficient funds available to transfer the amount needed to allow for cash flow to pay scheduled loans associated with the Industrial Park in the Storm Drain Reserve Fund; and

WHEREAS, Oregon Revised Statutes Chapter 294 allows for interfund transfers if repaid in one year and based on a repayment schedule.

NOW, THEREFORE, BE IT RESOLVED AS FOLLOWS:

Section 1. The City Council hereby authorizes an interfund loan in the amount of \$235,045 from the Storm Drain Reserve Fund to the Industrial Park Fund per ORS 294.468.

Section 2. The Council hereby directs that the loan be repaid to the Storm Drain Reserve Fund, as soon as the sale of the industrial park property is completed, in the full amount of \$235,045 with 0% interest, and in accordance with the following schedule:

REPAYMENT SCHEDULE

<u>Fiscal Year</u>	<u>Principal Payment</u>	<u>Interest Payment</u>	<u>Loan Balance</u>
2024-25	\$ 285,000	\$ 0	\$ 235,045

Section 3. The Storm Drain Reserve Fund is hereby appropriated as follows:

FISCAL YEAR 2023 – 2024

	BUDGET	INCREASE	DECREASE	ADJUSTED BUDGET
STORM DRAIN RESERVE FUND:				
MATERIALS AND SERVICES:				
Contractual Services 736-736-83000-000	\$ 300,000	0	\$ 235,045	\$ 64,955
TRANSFERS:				
Transfer to Industrial Park Fund 736-736-90219-000	0	\$ 235,045	0	\$ 235,045
TOTALS:	\$300,000	\$ 235,045	\$ 235,045	\$300,000

BE IT FURTHER RESOLVED that this resolution shall be effective immediately upon its passage.

PASSED BY THE COUNCIL AND APPROVED BY THE MAYOR THIS 24<sup>th</sup> DAY OF JUNE 2024.

\_\_\_\_\_  
Candace Solesbee, Mayor  
Dated: \_\_\_\_\_

ATTEST:

\_\_\_\_\_  
Mindy Roberts, City Recorder  
Dated: \_\_\_\_\_