

MEMORANDUM

TO: Mayor and City Council
FROM: Roberta Likens, Finance Director
SUBJECT: RESOLUTION AUTHORIZING AN INTERFUND LOAN TO THE GENERAL FUND, STREET FUND, WATER FUND, AND WASTEWATER FUND FROM THE STORM DRAIN RESERVE FUND
DATE: June 14, 2024

Background

Costs were incurred associated with the clean-up of the January ice storm. The City declared an emergency, and proceeded to clean up the damage caused by the storm. The Federal Emergency Management Agency (FEMA) has accepted the City's request for assistance and is currently working with staff to approve costs incurred as a result of the storm. The General Fund, Street Fund, Water Fund, and Wastewater Fund were the most impacted with expenses not budgeted. At this time, it is anticipated the reimbursement from FEMA will not occur until fall of this year. As the fiscal year closes on June 30th, it is necessary for an interfund loan from the Storm Drain Reserve Fund to meet budgetary requirements.

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 reimbursement funding from FEMA. 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 additional costs.



Michael Sauerwein, City Manager



Roberta Likens, Finance Director

RESOLUTION NO. _____

A RESOLUTION AUTHORIZING AN INTERFUND LOAN TO THE GENERAL FUND, STREET FUND, WATER FUND, AND WASTEWATER FUND FROM THE STORM DRAIN RESERVE FUND

WHEREAS, the Federal Emergency Management Agency (FEMA) has accepted the City's request for assistance and is currently working with staff to approve costs incurred as a result of the 2024 Ice Storm; and

WHEREAS, the funding from FEMA will not be received prior to the close of fiscal year 2023-2024; and

WHEREAS, the FEMA funds are anticipated to be received in the fall of 2024; and

WHEREAS, there are sufficient funds available to transfer the amount needed to allow for cash flow to pay for the materials and services, and contractual services associated with the January 2024 Ice Storm; 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 \$2,013,105 from the Storm Drain Reserve Fund to the General Fund in the amount of \$285,000; Street Fund in the amount of \$1,140,000; Water Fund in the amount of \$9,775; and the Wastewater Fund in the amount of \$578,330, 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 FEMA funds are received, in the full amount of \$2, 013,105 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 | \$ 2,013,105 | \$ 0 | \$ 2,013,105 |

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: | | | | | | | |
| CAPITAL OUTLAY: | | | | | | | |
| | | Building and Improvements 736-736-83000-000 | | \$ 2,255,490 | \$ 0 | \$2,013,105 | \$ 242,385 |
| TRANSFERS: | | | | | | | |
| | | Transfer to General Fund 736-736-90201 | | 0 | 285,000 | | 285,000 |
| | | Transfer to Street Fund 736-736-90234 | | 0 | 1,140,000 | | 1,140,000 |
| | | Transfer to Water Fund 736-736-90202 | | 0 | 9,775 | | 9,775 |
| | | Transfer to Wastewater Fund 736-736-90223 | | 0 | 578,330 | 0 | 578,330 |
| Totals: | | | | \$2,255,490 | \$2,013,105 | \$2,013,105 | \$2,255,490 |

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

PASSED BY THE COUNCIL AND APPROVED BY THE MAYOR THIS 24th DAY OF JUNE 2024.

Candace Solesbee, Mayor
Dated: _____

ATTEST:

Mindy Roberts, City Recorder
Dated: _____