

RESOLUTION NO. 1440

A RESOLUTION OF THE CITY OF DAYTON, WASHINGTON, AUTHORIZING AN INTERFUND LOAN FROM THE CEMETERY ENDOWMENT FUND TO THE CAPITAL IMPROVEMENT FUND IN AN AMOUNT UP TO \$74,000 (SEVENTY-FOUR THOUSAND DOLLARS) FOR THE 2020 S. 3RD STREET SIDEWALK REPLACEMENT PROJECT

WHEREAS, the City made application and was awarded a 2019 - 2021 Surface Transportation Block Grant totaling \$211,000 to construct the S. 3rd Street Sidewalk Replacement Project beginning south of E. Main Street and continuing to School Bus Lane; and

WHEREAS, at the time of application, the City recognized that additional funding resources would be necessary to complete the S. 3rd Street Sidewalk Replacement Project; and

WHEREAS, on December 4, 2020, the City Council approved Ordinance No. 1958 adopting the 2020 City of Dayton Budget ("2020 Budget"); and

WHEREAS, the 2020 Budget includes an interfund loan to complete the funding package necessary to construct the S. 3rd Street Sidewalk Replacement Project; and

WHEREAS, the Washington State Auditor's Budgeting, Accounting and Reporting System ("BARS") manual specifically allows for the use of interfund loans and defines the acceptable procedures for both the loaning and borrowing fund; and

WHEREAS, the City Council recognizes that interfund loans are repaid with interest and the City Council finds that use of an interfund loan is preferable to issuing external debt; and

WHEREAS, the Cemetery Endowment Fund has adequate funds which are clearly in excess of current needs that is being invested in the State pool at the current gross earnings rate of 0.2115% (September 2020 earnings);

WHEREAS, the City expects that the interfund loan will be repaid by Transportation Benefit District Funds and Real Estate Excise Tax Funds.

WHEREAS, the Current Expense Fund - Cemetery Services will earn in excess of three times more from an interfund loan than the City currently earns in the State Local Government Investment Pool.

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

Section 1. Authorization and Approval. The City Council authorizes and approves an interfund loan in the amount up to \$74,000 (Seventy-Four Thousand Dollars) from the Cemetery Endowment Fund to the Capital Improvements Fund for the 2020 S. 3rd Street Sidewalk Replacement Project.

Section 2. Terms and Conditions. The term of the interfund loan shall be for a period not to exceed five (5) years from the day of first advance at .73% (current Washington State Investment Pool's gross earnings rate is 0.2115%, September 2020). Repayment due dates will begin within 12 months following the date of the first draw. Payments schedules are as follows:

S. 3rd Street Sidewalk Replacement Project - 2020				
Terms:	5-Year			
	0.73%			
Principal:	\$ 74,000.00			
	Interest	Principal	Total	Outstaning Principal
10/14/2021	\$ 540.20	\$ 14,585.49	\$ 15,125.69	\$ 59,414.51
10/14/2022	\$ 433.73	\$ 14,691.97	\$ 15,125.70	\$ 44,722.54
10/14/2023	\$ 326.47	\$ 14,799.22	\$ 15,125.69	\$ 29,923.32
10/14/2024	\$ 218.44	\$ 14,907.25	\$ 15,125.69	\$ 15,016.07
10/14/2025	\$ 109.62	\$ 15,016.07	\$ 15,125.69	\$ -

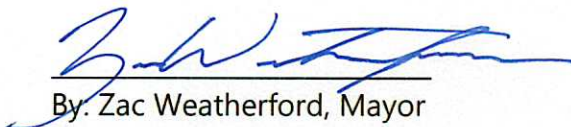
The Capital Improvements Fund may pay off the loan or make extra payments any time during the life of the loan without penalty. The repayment schedule may be adjusted to recognize the actual principal amount expended to complete the project, not to exceed \$74,000.

Section 3. Loan Disbursement. The City Administrator is designated on behalf of the City to process and administer a temporary loan not to exceed \$74,000 from available cash of the Cemetery Endowment Fund to the Capital Improvements Fund.

Section 4. Effective Date. This resolution shall take effect and be in force immediately upon its adoption.

PASSED by the City Council of the City of Dayton, Washington, on this 14TH day of OCTOBER, 2020.

City of Dayton


By. Zac Weatherford, Mayor

Attested/Authenticated:


Trina Cole, City Administrator

Approved as to form:


Quinn Plant, City Attorney