

SUPPLEMENTAL AGENDA

REGULAR CITY COUNCIL MEETING

January 14, 2013

5:30 p.m.

CITY HALL COUNCIL CHAMBER
313 COURT STREET
THE DALLES, OREGON

**Item to be Added to the January 14, 2013
City Council Meeting Listed Below**

14. ACTION ITEMS

- F. Resolution No. 13-005 Authorizing an Interfund Loan From the Airport Fund to the Airport Debt Service Fund


Julie Krueger, MMC, City Clerk



CITY of THE DALLES

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THE DALLES, OREGON 97058

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AGENDA STAFF REPORT
CITY OF THE DALLES

MEETING DATE	AGENDA LOCATION	AGENDA REPORT #
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TO: Honorable Mayor and City Council
FROM: Kate Mast, Finance Director
THRU: Nolan K. Young, City Manager *nyj*
DATE: 01/08/13

ISSUE: Resolution No. 13-005 Authorizing an Interfund Loan from the Airport Fund (061) to the Airport Debt Service Fund (062).

BACKGROUND: The Airport Bond amortization schedule is shown below:

	<u>Principal</u>	<u>Interest</u>
FY12/13	50,000	6,747
FY13/14	52,000	4,120
FY14/15	54,000	1,391

When preparing the budget for FY12/13, it was planned to pay off this bond in full in the middle of this fiscal year to save interest costs and provide earlier opportunities for new debt for new projects. It was known at that time that a small interfund loan from the Airport Fund would be necessary to accomplish this. We have calculated that an interfund loan of \$11,258 is needed, and that it will be possible to repay this interfund loan by the end of April 2013.

BUDGET IMPLICATIONS: Since the interfund loan will be made and repaid within the same fiscal year, there will be no impact on the budget, as all postings will be made on the balance sheet.

ALTERNATIVES:

- A. **Staff Recommendation:** move to adopt Resolution No. 13-005 Authorizing an Interfund Loan from the Airport Fund to the Airport Debt Service Fund.
- B. Do not adopt the proposed resolution and wait until the Airport Debt Service Fund accumulates enough funds to pay off the bond, which would incur additional interest.

RESOLUTION NO. 13-005

**A RESOLUTION AUTHORIZING AN INTERFUND LOAN FROM
THE AIRPORT FUND (061) TO THE AIRPORT DEBT SERVICE FUND (062)**

WHEREAS, ORS 294.460 authorizes a municipal corporation to loan money from any fund to another fund of the municipal corporation by adoption of an authorizing resolution; and

WHEREAS, the City's Airport Debt Service Fund requires a transfer of funds from the City's Airport Fund for the early payoff of the Airport Bond; and

WHEREAS, ORS 294.460 requires that the authorizing resolution state the fund from which the loan is to be made, the fund to which the loan is to be made, the purpose for which the loan is to be made, and the principal amount of the loan;

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

Section 1. Interfund Loan Authorized. The City Council hereby authorizes an interfund loan between the City's Airport Fund and Airport Debt Service Fund. The fund from which the loan is to be made is the Airport Fund. The fund to which the loan is to be made is the Airport Debt Service Fund. The purpose of the loan is to provide funds for the early payoff of the Airport Bond in FY12/13. The principal amount of the loan is \$11,258.

Section 2. Finance Director's Authority. The City Council hereby authorizes the Finance Director to make loans between the designated funds as necessary by accounting entries that show any loan amounts from one fund to another fund, and no loan amount shall exceed the budgeted appropriations by category for the receiving fund. The Finance Director shall make repayment of the loan between the designated funds as necessary by accounting entries that show any loan repayment amounts from one fund to another fund. The interfund loan shall be repaid within the year or budget period in which it was made, or repayment of the loan shall be reflected within the budget for the following fiscal year.

Section 3. Effective Date. This Resolution shall be considered effective as of January 14, 2013.

PASSED AND ADOPTED THIS 14th DAY OF JANUARY, 2013

Voting Yes, Councilors: _____
Voting No, Councilors: _____
Absent, Councilors: _____
Abstaining, Councilors: _____

AND APPROVED BY THE MAYOR THIS 14th DAY OF JANUARY, 2013

SIGNED:

ATTEST:

Stephen E. Lawrence, Mayor

Julie Krueger, MMC, City Clerk