

**CITY OF NORTH BONNEVILLE  
RESOLUTION NO. 435**

**A RESOLUTION OF THE CITY COUNCIL OF NORTH BONNEVILLE, WASHINGTON  
AUTHORIZING AND DIRECTING THE CITY TREASURER TO ISSUE INTER-FUND  
LOANS AND SETTING REPAYMENT SCHEDULES.**

**WHEREAS**, All funds must maintain a positive fund balance; and

**WHEREAS**, with the recent cash reconciliations and corrections to fund balances, the General Fund, Water Fund and the Sewer Fund require loans to achieve a positive fund balance; and

**WHEREAS**, the city intends to repay these loans with budgeted loan payments and by making additional payments using a percentage of any year-end budget surpluses; and

**WHEREAS**, the city must balance the need to repay its internal loans with the need to replenish its fund balances;

**NOW, THEREFORE, BE IT RESOLVED** that the city council of the City of North Bonneville authorizes and directs the City Treasurer to issue inter-fund loans as follows:

**Section 1. Loan From Lodging Tax Fund to General Fund**

The City Treasurer is hereby authorized and directed to execute an inter-fund loan from the Lodging Tax Fund to the General Fund in the amount of \$65,000.

The General Fund will pay the Lodging Tax Fund principal and interest through December 31, 2015. The interest is based on the Local Government Investment Pool gross earnings rate for January of each of the four years 2012, 2013, 2014 and 2015. The current LGIP gross earnings rate is .1127% and has been .25% or lower throughout 2011. The interest paid to the Lodging Tax Fund will be .25% and adjusted accordingly if the LGIP gross earnings rate increases above the .25% amount.

The repayment schedule follows:

<b>Interest</b>			<b>Interest</b>	<b>Principal</b>		<b>Total</b>
<b>Rate</b>	<b>Year</b>	<b>Beg. Bal.</b>	<b>Paid</b>	<b>Paid</b>	<b>End. Bal.</b>	<b>Payment</b>
0.25%	2012	\$65,000.00	\$162.68	\$9,837.32	\$55,162.68	\$10,000.00
0.25%	2013	\$55,162.68	\$138.06	\$19,861.94	\$35,300.74	\$20,000.00
0.25%	2014	\$35,300.74	\$88.36	\$19,911.64	\$15,389.10	\$20,000.00
0.25%	2015	\$15,389.10	\$38.52	\$15,389.10	\$0.00	\$15,427.62
<b>Totals</b>			\$427.62	65,000.00		65,427.62

**Section 2. Loan From Tourist Facility Reserve Fund to General Fund**

The City Treasurer is hereby authorized and directed to execute an inter-fund loan from the Tourist Facility Reserve Fund to the General Fund in the amount of \$50,000.

The General Fund will pay the Tourist Facility Reserve Fund principal and interest through December 31, 2015. The interest is based on the Local Government Investment Pool gross earnings rate for January of each of the four years 2012, 2013, 2014 and 2015. The current LGIP gross earnings rate is .1127% and has been .25% or lower throughout 2011. The interest paid to the Tourist Facility Reserve Fund will be .25% and adjusted accordingly if the LGIP gross earnings rate increases above the .25% amount.

The repayment schedule follows:

<b>Interest</b>			<b>Interest</b>	<b>Principal</b>		<b>Total</b>
<b>Rate</b>	<b>Year</b>	<b>Beg. Bal.</b>	<b>Paid</b>	<b>Paid</b>	<b>End. Bal.</b>	<b>Payment</b>
0.25%	2012	\$50,000.00	\$125.15	\$7,374.85	\$42,625.15	\$7,500.00
0.25%	2013	\$42,625.15	\$106.69	\$14,893.31	\$27,731.84	\$15,000.00
0.25%	2014	\$27,731.84	\$69.41	\$14,930.59	\$12,801.25	\$15,000.00
0.25%	2015	\$12,801.25	\$32.04	\$12,801.25	\$0.00	\$12,833.29
<b>Totals</b>			\$333.29	50,000.00		50,333.29

**Section 3. Loan From Capital Improvement Fund to General Fund**

The City Treasurer is hereby authorized and directed to execute an inter-fund loan from the Capital Improvement Fund to the General Fund in the amount of \$85,000.

The General Fund will pay the Capital Improvement Fund principal and interest through December 31, 2015. The interest is based on the Local Government Investment Pool gross earnings rate for January of each of the four years 2012, 2013, 2014 and 2015. The current LGIP gross earnings rate is .1127% and has been .25% or lower throughout 2011. The interest paid to the Capital Improvement Fund will be .25% and adjusted accordingly if the LGIP gross earnings rate increases above the .25% amount.

The repayment schedule follows:

<b>Interest</b>			<b>Interest</b>	<b>Principal</b>		<b>Total</b>
<b>Rate</b>	<b>Year</b>	<b>Beg. Bal.</b>	<b>Paid</b>	<b>Paid</b>	<b>End. Bal.</b>	<b>Payment</b>
0.25%	2012	\$85,000.00	\$212.75	\$9,787.25	\$75,212.75	\$10,000.00
0.25%	2013	\$75,212.75	\$188.26	\$19,811.74	\$55,401.01	\$20,000.00
0.25%	2014	\$55,401.01	\$138.66	\$24,861.34	\$30,539.67	\$25,000.00
0.25%	2015	\$30,539.67	\$76.44	\$30,539.67	\$0.00	\$30,616.11
<b>Totals</b>			\$616.11	85,000.00		85,616.11

**Section 4. Loan From Water Reserve Fund to Water Fund**

The City Treasurer is hereby authorized and directed to execute an inter-fund loan from the Water Reserve Fund to the Water Fund in the amount of \$20,000.

The Water Fund will pay the Water Reserve Fund principal and interest through December 31, 2015. The interest is based on the Local Government Investment Pool gross earnings rate for January of each of the four years 2012, 2013, 2014 and 2015. The current LGIP gross earnings rate is .1127% and has been .25% or lower throughout 2011. The interest paid to the Water Reserve Fund will be .25% and adjusted accordingly if the LGIP gross earnings rate increases above the .25% amount.

The repayment schedule follows:

<b>Interest</b>			<b>Interest</b>	<b>Principal</b>		<b>Total</b>
<b>Rate</b>	<b>Year</b>	<b>Beg. Bal.</b>	<b>Paid</b>	<b>Paid</b>	<b>End. Bal.</b>	<b>Payment</b>
0.25%	2012	\$20,000.00	\$50.06	\$4,949.94	\$15,050.06	\$5,000.00
0.25%	2013	\$15,050.06	\$37.68	\$4,962.32	\$10,087.74	\$5,000.00
0.25%	2014	\$10,087.74	\$25.24	\$4,974.76	\$5,112.98	\$5,000.00
0.25%	2015	\$5,112.98	\$12.84	\$5,112.98	\$0.00	\$5,125.82
<b>Totals</b>			\$125.82	20,000.00		20,125.82

**Section 5. Loan From Water Reserve Fund to Sewer Fund**

The City Treasurer is hereby authorized and directed to execute an inter-fund loan from the Water Reserve Fund to the Sewer Fund in the amount of \$40,000.

The Sewer Fund will pay the Water Reserve Fund principal and interest through December 31, 2015. The interest is based on the Local Government Investment Pool gross earnings rate for January of each of the four years 2012, 2013, 2014 and 2015. The current LGIP gross earnings rate is .1127% and has been .25% or lower throughout 2011. The interest paid to the Water Reserve Fund will be .25% and adjusted accordingly if the LGIP gross earnings rate increases above the .25% amount.

The repayment schedule follows:

<b>Interest</b>			<b>Interest</b>	<b>Principal</b>		<b>Total</b>
<b>Rate</b>	<b>Year</b>	<b>Beg. Bal.</b>	<b>Paid</b>	<b>Paid</b>	<b>End. Bal.</b>	<b>Payment</b>
0.25%	2012	\$40,000.00	\$100.12	\$4,899.88	\$35,100.12	\$5,000.00
0.25%	2013	\$35,100.12	\$87.85	\$11,662.15	\$23,437.97	\$11,750.00
0.25%	2014	\$23,437.97	\$58.65	\$11,691.35	\$11,746.62	\$11,750.00
0.25%	2015	\$11,746.62	\$29.40	\$11,746.62	\$0.00	\$11,776.02
<b>Totals</b>			\$276.02	40,000.00		40,276.02

**PASSED IN REGULAR SESSION this 22<sup>nd</sup> day of November, 2011.**

ATTEST:

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Mayor

\_\_\_\_\_  
Administrator / Clerk / Treasurer