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LCM/crd  
01/27/89

RESOLUTION NO. 788

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF REDMOND, WASHINGTON, AUTHORIZING AN INTERFUND LOAN FOR THE PURPOSE OF RETIRING LOCAL IMPROVEMENT DISTRICT BOND ANTICIPATION NOTES.

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WHEREAS, by passage of Ordinance No. 1447 on September 20, 1988, the City Council authorized the sale of bond anticipation notes maturing on March 1, 1989, to cover construction costs for LID 88-ST-53, and

WHEREAS, the bond anticipation notes must be renewed due to delays in the construction schedule caused by adverse weather and unanticipated delay in completion of purchase of required right-of-way, and

WHEREAS, the Finance Department has recommended that a loan in the amount of four hundred seventy-five thousand dollars (\$475,000) be made from the Real Estate Excise Tax Fund to the LID 88-ST-53 Fund for a period of six months, commencing March 1, 1989, at an annual interest rate of 8.8% in order to provide additional funds needed to repay the bond anticipation notes, and

WHEREAS, based upon information provided by the Finance Department, the City Council finds that the loan will not interfere with required current and anticipated expenditures from the Real Estate Excise Tax Fund, that the interest rate will result in earnings equal to that of other available investments and that the interfund loan will reduce costs to the LID fund as compared to an outside borrowing, now, therefore,

THE CITY COUNCIL OF THE CITY OF REDMOND, WASHINGTON, HEREBY RESOLVES AS FOLLOWS:

Section 1. An interfund loan in the amount of \$475,000 from the Real Estate Excise Tax Fund to the LID 88-ST-53 Fund commencing March 1, 1989, to be repaid in full on or before the expiration of six months at an annual interest rate of 8.8%, is hereby authorized.

Section 2. The Finance Director is instructed to make the necessary transfer of funds and to maintain appropriate

accounting records required to reflect the balance of the loan payable and receivable in the affected funds.

RESOLVED this 7th day of February, 1989.

APPROVED:

  
MAYOR, DOREEN MARCHIONE

ATTEST/AUTHENTICATED:

  
CITY CLERK, DORIS SCHAIBLE

FILED WITH THE CITY CLERK: 2/2/89  
PASSED BY THE CITY COUNCIL: 2/7/89  
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Exhibit I  
 Real Estate Excise Tax Fund  
 1989 Cash Flow Statement

Cash and Investments 1/1/89	1,712,499
Estimated Revenue	<u>410,000</u>
Cash and Investments	2,122,499
Less: Expenditures	<u>-1,010,000</u>
Ending Cash Before Loan	1,112,499
Loan to LID 88-ST-53 (6 months @ 8.8% interest)	<u>-475,000</u>
Balance Available	637,499
Repayment of Loan plus accrued interest 9/1/89	<u>495,900</u>
Ending Cash*	<u>1,133,399</u>

\*Cash in the Real Estate Excise Tax Fund is dedicated to the CIP and transferred on an as-needed basis.