RESOLUTION NO. ___1258___

A RESOLUTION OF THE CITY COUNCIL OF THE CITY
OF REDMOND, WASHINGTON, RELATING TO CASH
OVERDRAFTS IN SOME CITY FUNDS DURING THE
FISCAL YEAR AND AMENDING RESOLUTION 949

WHEREAS, certain of the City's funds, primarily capital project and special revenue funds, incur negative cash balances during the fiscal year due to the timing of receipts and reimbursements, and

WHEREAS, this resolution amends Resolution 949 to include other funds besides the General Fund to cover overdrafts of funds that do not have sufficient cash to cover overdrafts, and

WHEREAS, the General Fund does not always have sufficient cash to cover overdrafts of other funds, and

WHEREAS, special revenue, reserve, internal service, capital investment and utility funds may have sufficient cash to cover overdrafts, and

WHEREAS, the City's fiscal policies allow short-term borrowing over a period of three years or less through interfund loans, subject to Council approval, and

WHEREAS, the State Auditor's Office has notified the City in writing that negative cash balances in City funds are prohibited by RCW 43.09.210 which states, in part, that one fund shall not benefit from another fund's appropriation, now therefore,

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

Section 1.   Interfund Loans.   The Finance Director is authorized to make interfund loans at the market rate of interest from Special Revenue, Reserve, Internal Service, Capital Investment and Utility Funds, as well as the General Fund to other City funds to cover cash overdrafts in those funds as needed.

Section 2. Resolution Amended. Resolution No. 949, passed by the City Council on June 9, 1993 is hereby amended.

Section 3. Effective Date. This resolution shall take effect and be in full force immediately upon passage by the City Council.

CITY OF REDMOND

MAYOR, ROSEMARIE IVES

ATTEST/AUTHENTICATED:

CITY CLERK, MALISA FILES

FILED WITH THE CITY CLERK: September 26, 2007
PASSED BY THE CITY COUNCIL: October 2, 2007
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