

RESOLUTION NO. 972

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF REDMOND, WASHINGTON PROVIDING FOR AN INCREASE OF THE INTERFUND LOAN FOR EXPENDITURES FOR LOCAL IMPROVEMENT DISTRICT NO. 92-WS-56 PENDING RECEIPT OF ANY LOCAL IMPROVEMENT DISTRICT BONDS OR OTHER OBLIGATIONS AUTHORIZED TO BE ISSUED BY ORDINANCE NO. 1719, AND DECLARING THE CITY'S INTENT THAT CAPITAL EXPENDITURES TO BE MADE IN CONNECTION WITH THE LID SHALL BE MADE PRIOR TO ISSUANCE OF THE LID BONDS AND REIMBURSED FROM THE PROCEEDS, THEREOF,

WHEREAS, Ordinance 1719, passed by Council January 19, 1993, authorized the formation of LID 92-WS-56;

WHEREAS, the City of Redmond has undertaken a project commonly known as the Avondale Road Water/Sewer Extension (the "Project"), and to finance the Project through the local improvement district known as "LID No. 92-WS-56" and through the issuance of local improvement district bonds or other obligations authorized to be issued by such local improvement district;

WHEREAS, on April 6, 1993, the City Council authorized an interim loan in the amount of five hundred thousand dollars (\$500,000) from the Water/Wastewater General Construction Fund to the LID 92-WS-56 Fund for a period of one year commencing May 1, 1993, at an annual interest rate of 3.27% in order to provide funds with which to pay a part of the cost of carrying out the improvements ordered in the District;

WHEREAS, the City Council deems it to be in the best interest of the city, that the city increase the loan outstanding

from \$500,000 to \$1,500,000 from the Water/Wastewater General Construction Fund to LID 92-WS-56 for a period of one year commencing May 1, 1994, at an annual interest rate of 4.6% in order to provide additional funds with which to pay increased construction costs;

WHEREAS, based upon information provided by the Finance Department, the City Council finds that the loan will not interfere with the required current and anticipated expenditures from the Water/Wastewater General Construction Fund, that the interest rate will result in earnings equal to that of other available investments, and that the interfund loan will reduce the 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 \$1,500,000 from the Water/Wastewater General Construction Fund to the LID Fund commencing May 1, 1994, to be repaid in full on or before the expiration of May 1, 1995, at an annual interest rate of 4.6%, 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.

Section 3. Official Intent.

A. Capital improvements involving the acquisition, construction, and/or renovation of LID 92-WS-56 to be owned and operated by the city, and the incurrence of debt (the "Debt"),

expected to be issued in the maximum principal amount of \$1,500,000, to provide all or a portion of the funds necessary for such purposes, are authorized and approved.

B. Capital expenditures necessary and advisable with respect to the Project are authorized to be made by the city prior to the incurrence of the Debt (whether in the form of Bonds or otherwise), and the city declares its intent (the "Official Intent") that any such capital expenditures are made in anticipation of reimbursement with the proceeds of the Debt.

C. It is found and declared the city does not now have, nor does it reasonably expect to have, prior to the incurrence of the Debt therefor, funds from sources other than the Debt which are, or are reasonably expected to be, allocated on a long-term basis, reserved or otherwise available for the Project pursuant to its budget and financial policies.

RESOLVED this 3rd day of May, 1994.

APPROVED:



MAYOR, ROSEMARIE IVES

ATTEST/AUTHENTICATED:



CITY CLERK, DORIS A. SCHAIBLE

FILED WITH THE CITY CLERK: April 26, 1994
PASSED BY THE CITY COUNCIL: May 3, 1994
EFFECTIVE DATE: May 3, 1994
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EXHIBIT I

Water/Sewer General Construction Fund
1994 Cash Flow

Cash and Investments as of 1/1/94	\$	5,098,013
Estimated 1994 Revenues		1,442,478
Estimated 1994 Expenditures		<u>-1,654,228</u>
Estimated Ending Cash		4,886,263
Less Interfund Loan LID 56		-900,000
Less Interfund Loan LID 55		<u>-1,500,000</u>
Adjusted Estimated Ending Cash	\$	<u>2,486,263</u>