

RESOLUTION NO. 986

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF REDMOND, WASHINGTON, PROVIDING FOR AN INCREASE AND EXTENSION OF THE EXISTING INTERFUND LOAN FOR EXPENDITURES FOR LOCAL IMPROVEMENT DISTRICT NO. 91-OW-55 PENDING RECEIPT OF ANY LOCAL IMPROVEMENT DISTRICT BONDS OR OTHER OBLIGATIONS AUTHORIZED TO BE ISSUED BY SUCH LOCAL IMPROVEMENT DISTRICT 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, the City of Redmond (the "City") has undertaken a project commonly known as the SE Redmond Storage Tank Project (the "Project"), and intends to finance the Project through the formation of a local improvement district to be known as "LID No. 91-OW-55" and through the issuance of local improvement district bonds or other obligations authorized to be issued by such local improvement district, and

WHEREAS, the City Council on March 3, 1992 authorized an interim loan in the amount of five hundred thousand dollars (\$500,000) from the Water/Sewer General Construction Fund of the Waterworks Utility of the City to the LID 91-OW-55 Fund (the "LID Fund") for a period of one year commencing March 15, 1992, at an annual interest rate of 4.7% in order to provide funds with which to pay a part of the costs of carrying out the activities

necessary or useful to the formation of the proposed local improvement district and carrying out improvements included in the Project, and

WHEREAS, the City Council deemed it to be in the best interest of the City, that the City authorize an extension and an increase in the interim interfund loan from five hundred thousand dollars (\$500,000) to nine hundred thousand dollars (\$900,000) from the Water/Sewer General Construction Funds of the City to the LID 91-OW-55 Fund (the "LID Fund") for a period of one year period commencing September 15, 1992, at an effective annual interest rate of 4.12% in order to provide funds with which to pay the costs of final design, benefit studies, formation of the LID, and carrying out improvements included in the Project, and

WHEREAS, the City Council deemed it to be in the best interest of the City, that the City authorize an extension and an increase of the interim interfund loan from nine hundred thousand dollars (\$900,000) to one million two hundred thousand dollars (\$1,200,000) from the Water/Sewer General Construction Funds of the City to the LID 91-OW-55 Fund (the "LID Fund") for a period of one year commencing September 15, 1993, at an effective annual interest rate of 3.3% in order to provide funds with which to pay the costs of final design, benefit studies, land acquisition, and carrying out improvements included in the Project, and

WHEREAS, the City Council has deemed it to be in the best interest of the City, that the City authorize an extension and an increase of the interim interfund loan from one million two hundred thousand dollars (\$1,200,000) to two million six

hundred thousand dollars (\$2,600,000) from the Water/Sewer General Construction Funds of the City to the LID 91-OW-55 Fund (the "LID Fund") for a period of one year commencing September 15, 1994, at an effective annual interest rate of 5.53% in order to provide funds with which to pay the costs of construction, and carrying out improvements included in the Project, 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 Water/Sewer 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 increase in the existing interfund loan from \$1,200,000 to \$2,600,000 from the Water/Sewer General Construction Fund to the LID Fund commencing September 15, 1994, to be repaid in full on or before the expiration of September 15, 1995, at an effective annual interest rate of 5.53%, 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. Expenditures which have been and which will be necessary and advisable with respect to the SE Redmond Storage Tank LID prior to the issuance of the LID Bonds are hereby authorized to be made from the proceeds of the interfund loan approved by this Resolution, and the City hereby declares its intent (the "Official Intent"), pursuant to Treasury Regulation §1.103-18, that any such capital expenditures have been and are made in anticipation of the issuance of the LID Bonds, as applicable. The maximum principal amount of debt expected to be issued for reimbursement pursuant to this Resolution is \$2,600,000.

B. Any and all prior expenditures with respect to the LID Project to be reimbursed with the proceeds of the Bonds shall be incurred solely to acquire, construct, or rehabilitate property of the City having a reasonably expected economic life of at least one year.

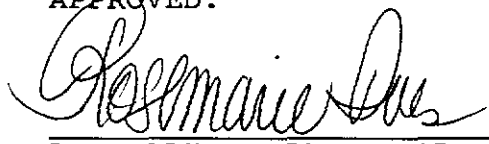
C. Pursuant to its budget, the City finds that it does not now have, nor does it reasonably expect to have, prior to the issuance of the LID Bonds, funds from sources other than the Bonds which are or are reasonably expected to be allocated on a long-term basis, reserved or otherwise available for the LID project, and the City has therefore approved the interfund loan in this Resolution for that purpose.

D. The City expects to pay the principal of, premium if any, and interest on the LID Bonds from the LID fund to be established in connection with the formation of and collection of assessments related to the LID.

E. This resolution, and other books, records, and proceedings of the City relevant to the City's declaration of Official Intent shall be made available by the City for inspection by the general public at the administrative offices of the City each business day during normal business hours commencing within ten days of the date hereof and until the date of the issue of the LID Bonds.

RESOLVED this 6th day of September, 1994.

APPROVED:



ROSEMARIE IVES, MAYOR

ATTEST/AUTHENTICATED:



CITY CLERK, DORIS A. SCHAIBLE

FILED WITH THE CITY CLERK: September 1, 1994
PASSED BY THE CITY COUNCIL: September 6, 1994
PUBLISHED: N/A
EFFECTIVE DATE: September 6, 1994
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EXHIBIT I

Water/Wastewater General Construction Fund
1994 Cash Flow

Cash and Investments as of 1/1/94	\$	3,893,232
Cash - Depreciation Reserve		1,204,781
Estimated 1994 Revenues		1,442,478
Estimated 1994 Expenditures		<u>-1,628,100</u>
Estimated Ending Cash		4,912,391
Less Interfund Loan LID 56		-2,600,000
Less Interfund Loan LID 55		<u>-1,500,000</u>
Adjusted Estimated Ending Cash	\$	<u>812,391</u>