

RESOLUTION NO. 834

A RESOLUTION OF THE CITY OF GIG HARBOR, RELATING TO A TEMPORARY INTERFUND LOAN, FROM THE CIVIC CENTER DEBT RESERVE FUND TO THE PARK DEVELOPMENT FUND AND LIMITED TAX GENERAL OBLIGATION BOND FUND, AND ESTABLISHING THE TERMS OF SUCH TEMPORARY LOANS, FOR THE PURPOSE OF PURCHASING PROPERTY LOCATED AT 3003 HARBORVIEW DRIVE IN GIG HARBOR

WHEREAS, the Washington State Auditor's Office's Budgeting, Accounting and Reporting (BARS) Manual allows the City to make interfund loans under certain limited circumstances; and

WHEREAS, the City has executed a purchase and sale agreement for property located at 3003 Harborview Drive in Gig Harbor; and

WHEREAS, the total costs of purchasing the property are expected to be Nine Hundred Nine Thousand Dollars (\$909,000); and

WHEREAS, the City is in the process of issuing a limited tax general obligation bond (LTGO) to purchase and improve the property; and

WHEREAS, the City anticipates the property purchase will close before LTGO bonds are sold; and

WHEREAS, the debt service for the years 2010 through 2012 is estimated to be \$312,000; and

WHEREAS, the Civic Center Debt Reserve Fund, No. 110 has funds in excess of current needs and which are legally available for investment; and

WHEREAS, the City Council plans to allow an interfund loan between the Civic Center Debt Reserve fund and the Park Development fund, which will be retired in part from issuance of LTGO bonds for costs of acquisition of the property; and the balance from the General Fund beginning in 2013 in four annual payments including interest; Now, Therefore,

THE CITY COUNCIL OF THE CITY OF GIG HARBOR, WASHINGTON, HEREBY RESOLVES AS FOLLOWS:

Section 1. The Gig Harbor City Council does hereby approve a temporary interfund loan from the Civic Center Debt Reserve Fund, No. 110 to the Park Development Fund, No. 109. The terms of this loan are as follows:

1. The amount shall be \$909,000.

2. The term shall be three months from the date of passage of this Resolution.

3. The interest shall be 1.0% per annum, which shall be paid to the Civic Center Debt Reserve Fund No. 110.

Section 2. The Gig Harbor City Council does hereby approve a temporary interfund loan from the Civic Center Debt Reserve Fund, No. 110 to the Limited Tax General Obligation Fund, No. 208. The terms of this loan are as follows:

1. The amount shall be \$312,000.

2. The loan shall be repaid by December 31, 2017.

3. The loan will be a variable rate loan with interest for the remainder of 2010 being 1.0%. For the remainder of the loan the interest rate shall be one percent (1.0%) greater than the average monthly gross earnings rate of the Washington State Treasurer's Local Government Investment Pool for the prior year. The rate shall be set each January.

Section 3. The City Council hereby directs the Finance Director to maintain appropriate accounting records to reflect the balances of loans in every fund affected by such transactions.

Effective Date. This resolution shall take effect immediately upon passage.

RESOLVED by the City Council this 10th day of May, 2010.

APPROVED:



MAYOR, CHARLES L. HUNTER

ATTEST/AUTHENTICATED:



CITY CLERK, MOLLY M. TOWSLEE

FILED WITH THE CITY CLERK: 05/03/10
PASSED BY THE CITY COUNCIL: 05/10/10
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