

March 19, 2014

**CITY OF NORTH BONNEVILLE
ORDINANCE NUMBER 1038**

**AN ORDINANCE OF THE CITY COUNCIL OF NORTH
BONNEVILLE, WASHINGTON AMENDING ORDINANCE 1033 FOR PURPOSES OF
REDIRECTING AN INTER-FUND LOAN TRANSFER AND CREATING A
REPAYMENT SCHEDULE**

WHEREAS, The City has met the payment requirements of its several interfund loans for the past two years, showing good faith in repayment of those loans; and

WHEREAS, the City has incurred unanticipated expenses in the sewer and water funds during the course of 2013 resulting from efforts to remedy deteriorating infrastructure; and

WHEREAS, the revenues the City receives to cover its sewer and water costs have proven to be insufficient during the course of 2013; and

WHEREAS, the City must have positive ending yearly fund balances in its sewer and water funds; and

WHEREAS, adoption of Ordinance 1033 provided the opportunity to loan revenues from the general fund to the sewer and water funds to cover these unanticipated costs along with a repayment plan; and

WHEREAS, that action depleted the general fund beyond expectation; and

WHEREAS, it has been determined a better remedy to cover these water and sewer costs is transferring \$13,000 from the water reserve fund to the water fund and thereby extinguishing that repayment obligation, and loaning \$27,000 from the tourism facility reserve to the sewer fund to cover its costs.

NOW, THEREFORE, BE IT RESOLVED that the Council of the City of North Bonneville authorizes and directs the City Treasurer to accomplish the following inter-fund loan transfer actions.

Section 1 Return to the general fund the \$40,000 in revenue it loaned to the water and the sewer funds.

Section 2 Transfer \$13,000 from the water reserve fund to the water fund without need for repayment.

Section 3 Loan From Tourism Facility Reserve to the Sewer Fund

The City Treasurer is hereby authorized and directed to transfer revenue from the tourism reserve fund to the sewer fund through the interfund transfer process in the amount of \$27,000.

The sewer fund will repay the tourism reserve fund principal and interest through December 31, 2015. The interest is based on the current Local Government Investment Pool [LGIP] gross earnings rate, which has been 0.25% or lower for the past several years. The interest paid to the tourism reserve fund will be 0.25% and adjusted upward to match the LGIP gross earnings rate if it increases above the 0.25% amount.

The repayment schedule follows:

Amortization			
Principal	Accrued Interest	Payment Made	Balance
\$27,000			
Jun-14	(\$67.50)	(\$6,792.24)	\$20,275.26
Dec-14	(\$50.69)	(\$6,792.24)	\$13,533.71
Jun-15	(\$33.83)	(\$6,792.24)	\$6,775.30
Dec-15	(\$16.94)	(\$6,792.24)	\$0.00

The Treasurer has the discretion to repay this loan indebtedness at a faster rate, provided the sewer fund balance is adequate to assume accelerated loan repayment.

Section 4 Effective Date and Publication

A summary of this Ordinance consisting of its title shall be published in the official newspaper of the City. This Ordinance shall take effect five days after publication.

PASSED IN REGULAR SESSION this 25TH day of March, 2014

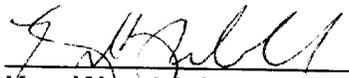


Mayor Don Stevens

Attest: 

City Administrator/ Treasurer Steven Hasson

Approved as to Form:



Ken Woodrich City Attorney North Bonneville