

**CITY OF NORTH BONNEVILLE  
RESOLUTION NO. 438**

**A RESOLUTION OF THE CITY COUNCIL OF NORTH BONNEVILLE, WASHINGTON  
AMENDING THE 2009 INTERFUND LOAN FROM THE GENERAL FUND TO THE  
WATER FUND BY ESTABLISHING A REPAYMENT SCHEDULE, EXTENDING THE  
MATURATION DATE, AND ADJUSTING THE INTEREST RATE.**

**WHEREAS**, the 2009 Water Fund Loan was incorrectly processed; and

**WHEREAS**, the Water Fund was not able to fully repay the loan by the original maturation date of December 31, 2011; and

**WHEREAS**, the interest rate paid by the Local Government Investment Pool (LGIP) is significantly less than it was in 2009;

**NOW, THEREFORE, BE IT RESOLVED** that the city council of the City of North Bonneville authorizes and directs the City Treasurer to amend the 2009 interfund loan from the General Fund to the Water Fund as follows:

**Section 1. Loan From General Fund to Water Fund**

The Water Fund shall pay to the General Fund principal and interest through December 31, 2015 in repayment of 2009 \$100,000 interfund loan. The interest shall be based on the Local Government Investment Pool gross earnings rate for January of each of the four years 2012, 2013, 2014 and 2015. The current LGIP gross earnings rate is .1305% and has been 0.25% or lower throughout 2011. The interest paid to the General Fund will be 0.25% and adjusted accordingly if the LGIP gross earnings rate increases above the 0.25% amount.

The repayment schedule follows:

| <u>Year</u>   | <u>Interest Rate</u> | <u>Beg. Bal.</u> | <u>Interest Paid</u> | <u>Principal Paid</u> | <u>End. Bal.</u> | <u>Total Payment</u> |
|---------------|----------------------|------------------|----------------------|-----------------------|------------------|----------------------|
| 2012          | 0.25%                | \$93,477.04      | \$1,411.85           | \$18,588.15           | \$74,888.89      | \$20,000.00          |
| 2013          | 0.25%                | \$74,888.89      | \$1,131.10           | \$23,868.90           | \$51,019.99      | \$25,000.00          |
| 2014          | 0.25%                | \$51,019.99      | \$770.57             | \$24,229.43           | \$26,790.56      | \$25,000.00          |
| 2015          | 0.25%                | \$26,790.56      | \$404.63             | \$26,790.56           | \$0.00           | \$27,195.19          |
| <b>Totals</b> |                      |                  | \$3,718.15           | 93,477.04             |                  | 97,195.19            |

**PASSED IN REGULAR SESSION this 24<sup>th</sup> day of January, 2012.**

ATTEST:

  
\_\_\_\_\_  
Mayor

  
\_\_\_\_\_  
Administrator / Clerk / Treasurer