

RESOLUTION NO. 2023-40

A Resolution authorizing an interfund loan from the Wastewater Capital Fund to the General Fund for Fire and EMS Operating Costs.

RECITAL:

Oregon Local Budget Law allows a local government to loan money from one fund to another, provided the loan is authorized by an official resolution of the governing body (ORS 294.468). This resolution authorizes a loan from the Wastewater Capital Fund to the General Fund for purposes of providing Fire and Emergency Medical Services during the first year that the new, voter-approved fire district is established.

This internal borrowing is included in the FY2023-24 Approved Budget for the City of McMinnville, as voted on by the Budget Committee on June 16, 2023, and in the proposed FY2023-24 Adopted Budget before the Council on June 27, 2023.

The Wastewater Capital Fund has reserve funds available to loan to the General Fund.

Therefore, as provided for in ORS 294.468, this resolution authorizes an interfund loan of no greater than a total of \$4,287,320 from the Wastewater Capital Fund to the General Fund for the purpose of assuring continuity of operations in fire and EMS services to the community.

ORS 294.468 requires that an interfund loan for operating costs be repaid in full by the end of the fiscal year in which it is extended. The General Fund will be able to repay the Wastewater Capital Fund by December 31, 2023, once the new fire district has access to its first year of property tax revenues and can reimburse the City for operational outlays at the end of calendar year 2023.

The rate of interest on the loan is set at 4.25% per annum, a rate of return that exceeds the current interest rate for funds invested in the local government investment pool, 4.05% as of May 19, 2023.

NOW, THEREFORE, BE IT RESOLVED BY THE COMMON COUNCIL OF THE CITY OF McMINNVILLE, as follows:

1. Interfund loan from the Wastewater Capital Fund to the General Fund is authorized.
2. The loan will be made from unrestricted reserve funds available in the Wastewater Capital Fund and will not exceed a total of \$4,287,320.
3. Interest will accrue at the rate of 4.25% per annum, with maximum principal of \$4,287,320 and interest of \$91,106.
4. Repayment of the balance of the loan may be made in advance of December 31, 2023 at any time.

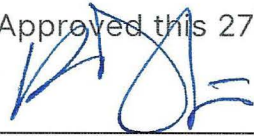
This Resolution will take effect on July 1, 2023, and shall continue in full force and effect until revoked or replaced.

Adopted by the Common Council of the City of McMinnville at a regular meeting held the 27th day of June, 2023 by the following votes:

Ayes: Chenoweth, Garvin, Geary, Menke, Payne

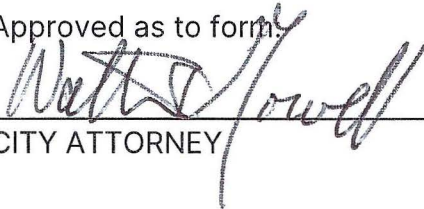
Nays: _____

Approved this 27th day of June, 2023.



Mayor

Approved as to form:



CITY ATTORNEY

Attest:

Claudia Cisneros
CITY RECORDER