

## RESOLUTION NO. 2018-26

A Resolution eliminating the Public Safety Facilities Construction Fund and transferring the remaining fund balance

### RECITAL:

ORS 294.353 states that when the necessity for maintaining any fund of the municipal corporation has ceased to exist and a balance remains in the fund, that the governing body so declare by ordinance or other order and such balance be transferred to the general fund unless other provisions were made in the original creation of the fund. This resolution makes such declaration for the Public Safety Facilities Construction Fund and transfers the remaining balance in the fund to the Debt Service Fund.

In 2006, the City issued \$13,315,000 in general obligation bonds for the purpose of constructing the McMinnville Police Station and the McMinnville Civic Hall. The Police Station and McMinnville Civic Hall were completed in 2008 and 2009, respectively.

When the projects were completed, approximately \$160,000 in bond proceeds and interest were retained in the fund for any arbitrage rebate payments due to the Internal Revenue Service (IRS). An arbitrage rebate payment represents the amount that earnings on the bond proceeds exceeded the bond yield. Rebate payments were made to the IRS of \$107,626 and \$8,292 in 2011 and 2016, respectively. These payments satisfied all IRS requirements related to arbitrage rebate on the 2006 bonds. In addition, bond interest of \$42,337 was transferred from the Public Safety Facilities Construction Fund to the Debt Service Fund in 2013, reducing the amount of tax levy needed for debt service payments on the bonds.

Currently, a balance of \$2,904 in bond interest remains in the Public Safety Facilities Construction Fund. Because the interest was earned on general obligation bond proceeds, the interest must be transferred to the Debt Service Fund. The fiscal year 2017-2018 budget includes appropriations sufficient for this transfer.

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

1. This resolution declares that the necessity for maintaining the Public Safety Facilities Construction Fund has ceased to exist.
2. The remaining funds in the Public Safety Facilities Construction Fund will be transferred to the Debt Service Fund.

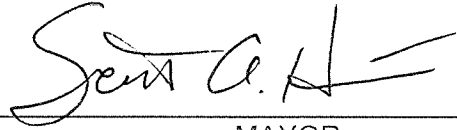
This Resolution will take effect immediately upon passage and shall continue in full force and effect until revoked or replaced.

Adopted by the Common Council of the City of McMinnville at a regular meeting held the 12th day of June 2018 by the following votes:

Ayes: Garvin, Menke, Peralta, Ruden, Stassens

Nayes: \_\_\_\_\_

Approved this 12th day of June 2018.

  
\_\_\_\_\_  
MAYOR

Approved as to form:

  
\_\_\_\_\_  
CITY ATTORNEY