

# CLARK COUNTY STAFF REPORT

**DEPARTMENT:** Clark County Treasurer's Office

**DATE:** December 1, 2013

**REQUEST:** The Clark County Permanent Reserve Fund (Fund No. 1030) may make loans to the Tri-Mountain Golf Fund (Fund No. 4008) and the Clean Water Fund (Fund No. 4420) and any other enterprise fund as required in a sum not to exceed \$2,000,000.00. All loans made pursuant to this resolution shall bear interest at the rate charged on the line of credit (0.57% per annum, floating) until the loan is repaid which shall be no later than December 31, 2014.

**CHECK ONE:**                     Consent                     CAO

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## BACKGROUND

The Tri-Mountain Golf Fund (Fund No. 1008) has from time to time balances outstanding on the General Fund line of credit with the Bank of America. This fund is to be reclassified as an enterprise fund (4008) in 2013 which will make it ineligible to utilize the General Fund's line of credit. The Clean Water Fund (Fund No. 4420) needs to repay the Road Fund an amount of \$1,200,000.00. All loans made pursuant to this Resolution shall bear interest payable to the Permanent Reserve Fund at the rate charged (0.57% per annum, floating) to existing line of credit users until the loan is repaid which shall be no later than December 31, 2014. The interest rate on the line of credit is calculated based on 70% of the 1 month London Interbank Rate (LIBOR) plus 45 basis points and adjusts daily which is currently 0.57%.

## COMMUNITY OUTREACH

N/A

N/A

## BUDGET AND POLICY IMPLICATIONS

The 2013-2014 budget includes the costs related to the usage of the line of credit. The interest expense incurred and paid by the using department would go to the Permanent Reserve Fund and not expended to an outside party and would be directly related to the usage of the credit line.

## FISCAL IMPACTS

Yes (see attached form)

No



\* 6 8 6 3 6 9 \*

**ACTION REQUESTED**

) The Board of Commissioners approve adoption of Resolution 2013-XX- XXXX of the Board of Commissioners, Clark County, Washington relating to authorizing interfund loans from Permanent Reserve Fund (No. 1030) to certain funds to satisfy required expenses. The Clark County Permanent Reserve Fund (Fund No. 1030) may make loans to the Fair Fund (Fund No. 1003 to be reclassified to 4008), other enterprise funds and the Clean Water Fund (Fund No. 4420) in a sum not to exceed \$2,000,000.00 as necessary to make required expenses. All loans made pursuant to this resolution shall bear interest at the rate charged on the existing line of credit (0.57% per annum) until the loan is repaid which shall be no later than December 31, 2014.

**DISTRIBUTION**

Upon acceptance please forward to: Auditor's Office, Office of Budget and Treasurer's Office.

  
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John Payne  
Deputy Treasurer

Approved: DEC 17, 2013 SR 281-13  
CLARK COUNTY  
BOARD OF COMMISSIONERS

# FISCAL IMPACT ATTACHMENT

## Part I: Narrative Explanation

I. A – Interfund loans from Permanent Reserve Fund (No. 1030) to certain enterprise funds to satisfy required expenses. The Clark County Permanent Reserve Fund (Fund No. 1030) may make loans to the Fair Fund (Fund No. 1003 to be reclassified to 4008), other enterprise funds and the Clean Water Fund (Fund No. 4420) in a sum not to exceed \$2,000,000.00 as necessary to make required expenses.

## Part II: Estimated Revenues

Fund #/Title	Current Biennium		Next Biennium		Second Biennium	
	GF	Total	GF	Total	GF	Total
1030 Permanent Reserve Fund	2,000,000	2,000,000				
<b>Total</b>	2,000,000	2,000,000				

II. A – Describe the type of revenue (grant, fees, etc.)

## Part III: Estimated Expenditures

III. A – Expenditures summed up

Fund #/Title	FTE's	Current Biennium		Next Biennium		Second Biennium	
		GF	Total	GF	Total	GF	Total
4420 Clean Water Fund		1,200,000	1,200,000				
4008 & Other Enterprise Funds		800,000	800,000				
<b>Total</b>		2,000,000	2,000,000				

III. B – Expenditure by object category

Fund #/Title	Current Biennium		Next Biennium		Second Biennium	
	GF	Total	GF	Total	GF	Total
Salary/Benefits						
Contractual						
Supplies						
Travel						
Other controllables						
Capital Outlays						
Inter-fund Transfers	2,000,000	2,000,000				
Debt Service						
<b>Total</b>	2,000,000	2,000,000				

RESOLUTION NO. 2013-12-23

A RESOLUTION authorizing inter-fund loans from the Permanent Reserve Fund No. 1030 to certain county enterprise funds to satisfy required expenses.

WHEREAS, the Tri-Mountain Golf Fund No.1008 has from time to time balances outstanding on the General fund line of credit with the Bank of America due to the seasonal nature of its revenue stream; and

WHEREAS, this fund has been categorized as an enterprise fund and is therefore ineligible to utilize the General Fund's line of credit; and

WHEREAS, the Clean Water Fund requires a loan to repay the Road Fund, \$1,200,000.00; and

WHEREAS, any loan form the Permanent Reserve Fund will be subject to interest at the rate 70% of the one month London Interbank Rate plus forty-five basis points; and

WHEREAS, the adoption of this Resolution will further the public welfare; now, therefore,

IT IS HEREBY ORDERED AND RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF CLARK COUNTY, STATE OF WASHINGTON, as follows:

Section 1. The Board hereby authorizes inter-fund loans from the Permanent Reserve Fund No. 1030 to enterprise funds. Enterprise funds include the Tri-Mountain Golf Fund No. 4008, and the Clean Water Fund No. 4420. Any loans based upon this Resolution will be for liquidity purposes and the outstanding balance loaned cannot exceed \$2 million without further Board approval. All loans are subject to interest rate of 70% of the one month London Interbank Rate plus forty-five basis points.

Section 2. Copies of this resolution shall be filed with the Clark County Auditor, Clark County Treasurer, and in the records of the Board of County Commissioners of Clark County, Washington.

ADOPTED this 17 day of DEC, 2013

Attest:

Sara Redline  
Clerk to the Board  
DEPUTY

Approved as to Form Only  
TONY GOLIK  
Prosecuting Attorney

By [Signature]  
Deputy Prosecuting Attorney

BOARD OF COUNTY COMMISSIONERS  
FOR CLARK COUNTY, WASHINGTON

By [Signature]  
Steve Stuart, Chairman

By \_\_\_\_\_  
David Madore, Commissioner

By \_\_\_\_\_  
Tom Mielke, Commissioner