

RESOLUTION NO. 1136

A RESOLUTION OF THE CITY OF GIG HARBOR, RELATING TO THE CITY COUNCIL'S APPROVAL OF A TEMPORARY, INTERFUND LOAN, FROM THE WASTEWATER CAPITAL FUND TO THE LIMITED TAX GENERAL OBLIGATION BOND FUND, ESTABLISHING THE TERMS OF SUCH TEMPORARY LOAN, FOR THE PURPOSE OF PAYING OFF THE PROMISSORY NOTE WHICH WAS ISSUED TO PURCHASE PROPERTY LOCATED AT 10770 HARBOR HILL DRIVE IN GIG HARBOR

WHEREAS, the Washington State Auditor's Office's Budgeting, Accounting and Reporting (BARS) Manual allows the City to make interfund loans under certain limited circumstances; and

WHEREAS, the City has executed a purchase and sale agreement and a Promissory Note payable to Olympic Property Group for the property located at 10770 Harbor Hill Drive in Gig Harbor; and

WHEREAS, the payoff, consisting of principal and interest due through December 11, 2018, is two million seven hundred fifty five thousand six hundred thirty eight dollars and seventy cents (\$2,755,638.70); and

WHEREAS, the City desires to pay off this Promissory Note using an interfund loan from the Wastewater Capital Fund; and

WHEREAS, the City expects interest savings of about \$201,000 by using this interfund loan to pay off the Promissory Note; and

WHEREAS, the funds to pay off this interfund loan will come from the General Fund; and

WHEREAS, the Wastewater Capital Fund, No. 410 has funds in excess of current needs and which are legally available for investment; Now, Therefore,

THE CITY COUNCIL OF THE CITY OF GIG HARBOR, WASHINGTON, HEREBY
RESOLVES AS FOLLOWS:

Section 1. The Gig Harbor City Council does hereby approve a temporary interfund loan from the Wastewater Capital Fund, No. 410 to the Limited Tax General Obligation Bond Fund, No. 208. The terms of this loan are as follows:

1. The loan amount shall be \$2,755,638.70.

2. The term shall be 25 months with a final payment date of January 31, 2021.

3. The loan will be a variable rate loan with the initial interest rate being set to 3.0%. For the remainder of the loan the interest rate shall be one percent (1.0%) greater than the average monthly gross earnings rate of the Washington State Treasurer's Local Government Investment Pool for the prior year. The rate shall be set each January.

Section 3. The City Council hereby directs the Finance Director to maintain appropriate accounting records to reflect the balances of loans in every fund affected by such transactions.

Effective Date. This resolution shall take effect immediately upon passage.

RESOLVED this 10th day of December

CITY OF GIG HARBOR


MAYOR KIT KUHN

ATTEST/AUTHENTICATED:


CITY CLERK, MOLLY M. TOWSLEE

FILED WITH THE CITY CLERK: 11/29/18
PASSED BY THE CITY COUNCIL: 12/10/18
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