

CLARK COUNTY STAFF REPORT

DEPARTMENT: Clark County Treasurer's Office

DATE: January 20, 2015

REQUEST: The Clark County Permanent Reserve Fund (Fund No. 1030) may make loans to the General Fund (Fund No. 0001) and associated Funds which periodically obtain funding from the General Fund for liquidity purposes as required in a sum not to exceed \$5,000,000.00. All loans made pursuant to this resolution shall bear interest at the rate charged on the credit facility will be 0.76% per annum based upon the following floating rate formula, which will be calculated as of the date of each draw, until the loan is repaid which shall be no later than one year from the date of the loan. Formula: 70% of the London Interbank Offered Rate (LIBOR) Daily Floating Rate plus 0.65%.

The proposed new agreement will be for a sum of \$5,000,000 for the General Fund and associated dependent Funds at any one time and will renew each year, automatically, until the financing facility is no longer desired for liquidity funding purposes by the County Treasurer.

CHECK ONE: Consent CAO

BACKGROUND

This Resolution establishes a credit facility for the General Fund and dependent Funds to utilize for liquidity purposes up to a maximum of \$5,000,000. All loans made pursuant to this Resolution shall bear interest payable to the Permanent Reserve Fund. The interest rate on the credit facility is calculated based on 70% of the LIBOR Daily Floating Rate plus 0.65% and adjusts daily which is currently 0.76%.

COMMUNITY OUTREACH

N/A

N/A

BUDGET AND POLICY IMPLICATIONS

The 2015-2016 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

ACTION REQUESTED

The Board of Councilors approve adoption of Resolution 2015- - of the Board of Councilors, 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 General Fund (0001) and other dependent funds in a sum not to exceed \$5,000,000.00 as necessary to provide for liquidity. All loans made pursuant to this resolution shall bear interest. The interest rate on the credit facility is calculated based on 70% of the LIBOR Daily Floating Rate plus 0.65% and adjusts daily which is currently 0.76%.

This interfund loan (liquidity mechanism) will renew each year, automatically, until the financing facility is no longer desired for liquidity funding purposes by the County Treasurer.

DISTRIBUTION

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


John Payne, CPA
Deputy Treasurer
County Treasurer

Approved: _____
BOARD OF COUNTY
COUNCILORS

FISCAL IMPACT ATTACHMENT

Part I: Narrative Explanation

I. A – Interfund loans from Permanent Reserve Fund (No. 1030) to the General Fund (0001) and certain dependent funds generally obtaining liquidity funds from the General Fund in the amount of \$5,000,000.00 as necessary to meet liquidity needs.

Part II: Estimated Revenues

Fund #/Title	Current Biennium		Next Biennium		Second Biennium	
	GF	Total	GF	Total	GF	Total
1030 Permanent Reserve Fund	5,000,000	5,000,000				
Total	5,000,000	5,000,000				

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
General Fund and dependent Funds		5,000,000	5,000,000				
Total		5,000,000	5,000,000				

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	5,000,000	5,000,000				
Debt Service						
Total	5,000,000	5,000,000				

RESOLUTION NO. 2015 - -

A RESOLUTION authorizing interfund loans from the Permanent Reserve Fund No. 1030 to certain the General Fund and dependent Funds which rely upon the General Fund to be used for liquidity purposes to satisfy required expenses.

WHEREAS, the General Fund No.0001 and dependent Funds from time to time have liquidity needs to be able to satisfy expenditures on a timely basis, due to the seasonal nature of its revenue stream; and

WHEREAS, it has been deemed by the Board of County Councilors that this method of liquidity financing is preferable to obtaining a line of credit from an external financial institution; and

WHEREAS, any loan from the Permanent Reserve Fund will be subject to interest at the rate 70% of the London Interbank Offered Rate (LIBOR) Daily Floating Rate plus 0.65% (this rate was 0.76% as of January 5, 2015); 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 COUNCILORS 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 the General Fund and associated dependent Funds. Any loans based upon this Resolution will be for liquidity purposes and the outstanding balance loaned cannot exceed \$5 million without further Board approval. All loans are subject to interest rate of 70% of LIBOR Daily Floating Rate plus 0.65% as of the date of the loan. Loans must be paid within one year of their draw.

Section 2. This financing facility will automatically renew each year until the financing facility is no longer desired for liquidity funding purposes by the County Treasurer.

Section 3. Copies of this resolution shall be filed with the Clark County Auditor, Clark

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County Treasurer, and in the records of the Board of County Councilors of Clark County, Washington.

ADOPTED this _____ day of _____, 2015

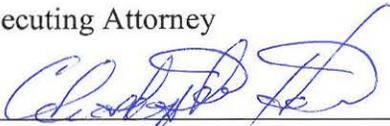
Attest:

BOARD OF COUNTY COUNCILORS
FOR CLARK COUNTY, WASHINGTON

Clerk to the Board

By _____
David Madore, Chair

Approved as to Form Only
TONY GOLIK
Prosecuting Attorney

By  _____
Chief Deputy Prosecuting Attorney

By _____
Jeanne Stewart, Councilor

By _____
Tom Mielke, Councilor