

CLARK COUNTY STAFF REPORT



DEPARTMENT: Clark County Treasurer's Office

DATE: December 16, 2014

REQUEST: The Clark County Permanent Reserve Fund (Fund No. 1030) may make loans to the Tri-Mountain Golf Fund (Fund No. 4008) 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 credit facility will be 0.56% per annum (as of December 4, 2014) 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 \$2,000,000 for the Enterprise Funds 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: X Consent CAO

BACKGROUND

Resolution 2013-12-23 established a credit facility for the Enterprise Funds to utilize up to a maximum of \$2,000,000. The Tri-Mountain Golf Fund (Fund No. 4008) and Clean Water Fund (Fund No. 4420) has from time to time had balances outstanding on the Permanent Reserve Fund credit facility. The current agreement expires December 31, 2014, a new agreement is requested. The proposed new agreement will be for a sum of \$2,000,000 for all enterprise 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. 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 0.56%.

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.

Handwritten initials/signature

FISCAL IMPACTS

Yes (see attached form)

No

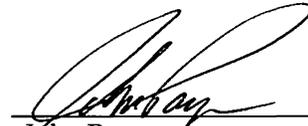
ACTION REQUESTED

The Board of Commissioners approve adoption of Resolution 2014-12-12 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. 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 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 0.56%.

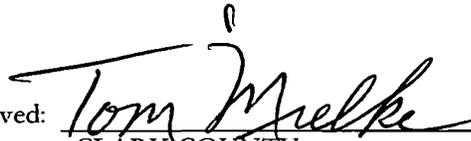
This inter-fund loan (liquidity mechanism) will renew each year, automatically, until the financing facility is no longer desired for liquidity funding purposes by the County Treasurer.

DISTRIBUTION

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



John Payne
Deputy Treasurer

Approved: 

CLARK COUNTY
BOARD OF COMMISSIONERS

Dec. 16, 2014
SR 311-14

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 Tri-Mountain Golf (Fund No. 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				
Total	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
Enterprise Funds as required		2,000,000	2,000,000				
Total		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						
Total	2,000,000	2,000,000				

RESOLUTION NO. 2014-12-12

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.4008 has from time to time balances outstanding on inter-fund loans from the Permanent Reserve Fund No. 1030 due to the seasonal nature of its revenue stream; and

WHEREAS, the Clean Water Fund (Fund No. 4420) from time to time balances outstanding on inter-fund loans from the Permanent Reserve Fund No. 1030 due to the seasonal nature of its revenue stream; and

WHEREAS, any loan from the Permanent Reserve Fund will be subject to interest at the rate of 70% of the London Interbank Offered Rate (LIBOR) Daily Floating Rate plus 0.65% and adjusts daily (this rate was 0.56% as of December 4, 2014); 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 and any other enterprise fund as required. 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 an interest rate of 70% of the LIBOR Daily Floating Rate plus 0.65% and adjust daily 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 County Treasurer, and in the records of the Board of County Commissioners of Clark County, Washington.

ADOPTED this 11th day of Dec., 2014

Attest:

Rebecca Filton
Clerk to the Board

Approved as to Form Only
TONY GOLIK
Prosecuting Attorney

By Christy D. Deo
Deputy Prosecuting Attorney

BOARD OF COUNTY COMMISSIONERS
FOR CLARK COUNTY, WASHINGTON

By Tom Mielke
Tom Mielke, Chairman

By _____
David Madore, Commissioner

By _____
Jeanne Stewart, Commissioner