

CITY OF STANWOOD
Stanwood, Washington

ORDINANCE 1416

AN ORDINANCE OF THE CITY OF STANWOOD, WASHINGTON, CREATING STANWOOD MUNICIPAL CODE CHAPTER 3.45 ENTITLED "INTERFUND LOANS PROGRAM" ESTABLISHING AN INTERFUND LOAN PROGRAM; ESTABLISHING SEVERABILITY AND AN EFFECTIVE DATE.

WHEREAS, the City's revenues do not provide steady income stream to the City, but rather fluctuate throughout the budget year, and

WHEREAS, the needs of the City are such that present capital expenses may require loans between funds of the City, and

WHEREAS, the City Council wishes to provide an orderly process for such loans by authorizing the Finance Director, an individual bonded and insured, to manage such loan processes on a daily basis, without regard to the City Council's meeting schedule in order to minimize interest expense and to carefully tailor such loans and repayment to the revenue needs and expense obligations of the City; and

WHEREAS, the City Council deems it appropriate to authorize the Finance Director to administer an interfund loan program, subject to regular reporting to the City Council, on an "as needed" basis to keep the different funds of the City solvent.

NOW THEREFORE, THE CITY COUNCIL OF THE CITY OF STANWOOD, WASHINGTON, DO ORDAIN AS FOLLOWS:

Section 1. Stanwood Municipal Code Title 3 entitled "Revenue and Finance" is hereby amended to add a new Chapter 3.45 entitled "Interfund Loans Program" to read as follows:

Chapter 3.45
INTERFUND LOANS PROGRAM

Sections

3.45.010 Interfund loans authorized
3.45.020 Report to the City Council
3.45.030 Repayment directed

3.45.010 Interfund loans authorized.

The Finance Director is hereby authorized to administer an interfund loan program. The Finance Director shall make interfund loans as needed to keep the funds of the City solvent. In conjunction with interfund loans, the Finance Director shall prepare a planned schedule of repayment of the loan principal plus applicable interest. The monthly rate of interest will be the same monthly rate of interest paid by the Washington State Local Government Investment Pool and shall be charged by the lending fund, unless the borrowing fund has no other source of revenue other than the lending fund, or is normally funded by the lending fund. In addition, the borrowing fund must anticipate sufficient revenues to be in a position over the period of the loan to make the specified principal and interest payments.

3.45.020 Report to the City Council.

The Finance Director shall include a report within sixty days of any such loans and subsequent repayment to the City Council in conjunction with the Finance Director's financial reports to the City Council. Any City Council member may request or the Mayor may direct the Finance Director to make such additional reports as may be necessary to fully inform the City Council of any revenue deficit or interfund loan or similar transfer.

3.45.030 Repayment directed.

The Finance Director is directed and authorized to repay such loans, in whole or in part, when budgeted revenues are received sufficient to cover the projected foreseeable needs of the City for the ensuing month of the budget year. In the event of doubt regarding the foreseeable needs of the City, the Finance Director is encouraged to consult with the Mayor and Finance Committee and to bring questions regarding borrowing or repayment to the City Council for its advice.

Section 2. Severability. If any section, sentence, clause, or phrase of this Ordinance is held to be invalid or unconstitutional by a court of competent jurisdiction, such invalidity or unconstitutionality shall not affect the validity or constitutionality of any other section, sentence, clause, or phrase of this Ordinance.

Section 3. Effective Date. This Ordinance shall take effect five days after its publication by summary.

PASSED by the City Council and APPROVED by the Mayor this 28th day of April, 2016.

CITY OF STANWOOD

By Leonard Kelley
Leonard Kelley, Mayor

ATTEST:

By Jan Berg
Jan Berg, City Clerk

Approved as to form:

By Grant K. Weed
Grant K. Weed, City Attorney

Date of Publication 5-2-2016

Effective Date 5-7-2016