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CITY OF ILWACO
ORDINANCE NO. 906

AN ORDINANCE OF THE CITY OF ILWACO, WASHINGTON, CREATING A NEW CHAPTER 3.34 INTERFUND LOANS PROGRAM OF THE ILWACO MUNICIPAL CODE.

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

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

WHEREAS, such loans are within the statutory authority of City Council to approve; and

WHEREAS, the City Council wishes to provide an orderly process for such loans by authorizing the Treasurer, 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 the 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 Treasurer 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 ILWACO,
WASHINGTON, DOES ORDAIN AS FOLLOWS:**

Section 1. Title 3 Revenue and Finance of the Ilwaco Municipal Code is hereby amended by the adoption of a new Chapter 3.34 Interfund Loans Program.

Chapter 3.34

Sections:

3.34.010 Interfund Loans Authorized

3.34.020 Report to the City Council

3.34.030 Repayment Directed

3.34.010 Interfund Loans Authorized

The Treasurer is hereby authorized to administer an interfund loan program. Only municipal monies which are clearly inactive or in excess of current needs for the anticipated length of the loan and legally available for investment (i.e., no restrictions) shall be utilized for interfund loans. The Treasurer shall make interfund loans as needed to keep the funds of the City solvent. In conjunction with interfund loans, the Treasurer 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

Ordinance 906

Page 1 of 3

(LGIP), 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.

3.34.020 Report to the City Council

The Treasurer shall include a report within 30 days of any such loans and subsequent repayments to the City Council in conjunction with the Treasurer's budget reports to the City Council. Any City Council member may request, or the Mayor direct the Treasurer 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.

3.34.030 Repayment Directed

The Treasurer is directed and authorized to repay such loans, in whole or in part, when the 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 Treasurer is encouraged to consult with the Mayor and to bring questions regarding borrowing or repayment to the City council for its advice.

Section 2. Severability. If any section, subsection, paragraph, sentence, clause or phrase of this ordinance is declared unconstitutional or invalid for any reason, such decision shall not affect the validity of the remaining parts of this ordinance.

Section 3. Referendum and Effective Date. This Ordinance, being an exercise of a power specifically delegated to the city legislative body, is not subject to referendum, and shall take effect and is in full force five (5) days after its passage, approval and publication of an approved summary of the title as provided by law.

PASSED BY THE CITY COUNCIL OF THE CITY OF ILWACO AND SIGNED IN AUTHENTIFICATION OF ITS PASSAGE THIS 13TH DAY OF APRIL 2020.



Gary Forner
Gary Forner, Mayor

ATTEST:



Holly Beller
Holly Beller, Treasurer