



CITY OF KIRKLAND
Department of Finance & Administration
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MEMORANDUM

To: Kurt Triplett, City Manager

From: Tracey Dunlap, Director of Finance and Administration

Date: December 2, 2011

Subject: Interfund Loan Approval

As discussed at the December 12 Study Session, \$4 million of the initial acquisition of the Eastside Rail Corridor is proposed to be funded using an interfund loan from the Water/Sewer and Surface Water utility funds. However the authorization for the interfund loan is for up to \$5 million as a contingency in case additional costs associated with the due diligence and final purchase are incurred. The specific terms and requirements are discussed in the Study Session staff report. The attached ordinance authorizes the interfund loan, which will be executed at closing.

ORDINANCE O-4341

AN ORDINANCE OF THE CITY OF KIRKLAND RELATING TO FINANCE AND AUTHORIZING AN INTERFUND LOAN FROM THE WATER/SEWER AND SURFACE WATER UTILITY FUNDS TO THE CAPITAL PROJECTS FUND IN AN AMOUNT NOT TO EXCEED \$5,000,000.

WHEREAS, funds are needed by the Capital Projects Fund for costs associated with the purchase of the Eastside Rail Corridor.

WHEREAS, the City expects the funds loaned to be repaid by Bond Proceeds or other resources identified by the City.

NOW, THEREFORE, the City Council of the City of Kirkland do ordain as follows:

Section 1. A loan in the amount not to exceed \$5,000,000 is hereby authorized from the Water/Sewer and Surface Water Utility Funds to the Capital Projects Fund. The loan shall be repaid from Bond proceeds, or other authorized funds, within 3 years. Interest shall be at the rate of 0.5 percent per annum.

Section 2. The Finance Director is authorized to advance funds from the Water/Sewer and Surface Water Utility Funds to the Capital Projects Fund as authorized by Section 1 of this Ordinance for the purpose of this interfund loan. The Finance Director is authorized and directed to repay sums advanced from monies received by the Capital Projects Fund, plus interest, as required in Section 1.

Section 3. This ordinance shall be in force and effect five days from and after its passage by the Kirkland City Council and publication, as required by law.

Passed by majority vote of the Kirkland City Council in open meeting this 12th day of December, 2011.

Signed in authentication thereof this _____ day of _____, 2011.

MAYOR

Attest:

City Clerk

Approved as to Form:

City Attorney