

CITY OF COOS BAY CITY COUNCIL
Agenda Staff Report

MEETING DATE June 7, 2016	AGENDA ITEM NUMBER
-------------------------------------	---------------------------

TO: Mayor Shoji and City Councilors
FROM: Susanne Baker, Finance Director
THROUGH: Rodger Craddock, City Manager
ISSUE Adoption of Resolution Authorizing Inter-Fund Loans

BACKGROUND

The City's auditor has recommended that we adopt a resolution each fiscal year authorizing inter-fund loans. This has been necessary in prior years in funds that receive grants on a reimbursement basis and to allow cash flow while awaiting property taxes and hotel transient taxes. The loans would be repaid to the loaning fund by the borrowing fund on or before June 30, 2017, or the respective repayments would be budgeted in the 2017-18 budget. No interest would be charged to the borrowing funds for the cash flow loan.

ADVANTAGES

The City would meet their obligations without borrowing from lending institutions and paying interest on borrowed funds. Inter-fund loans are an acceptable municipal accounting practice pursuant to ORS 294. By adopting the resolution, the City will be in compliance with Oregon municipal budget law.

DISADVANTAGES

None.

BUDGET

Loans would be made only to keep the City's cash flow in each fund at a level necessary to meet the City's obligations. Therefore, there would be no net effect on the budget.

RECOMMENDATION

It is staff's recommendation the City Council adopt Resolution 16-13, authorizing inter-fund borrowing and inter-fund loans during the Fiscal Year 2016-2017 budget.

City of Coos Bay

Resolution 16-13

**A RESOLUTION OF THE CITY OF COOS BAY, COOS COUNTY, OREGON
AUTHORIZING INTERFUND BORROWING AND INTERFUND LOANS DURING THE
2016-17 FISCAL YEAR INCLUDING THOSE TO THE COOS BAY NORTH BEND
VISITOR AND CONVENTION BUREAU**

WHEREAS, the City Council recognizes that interfund borrowing and loans may be necessary during the 2016-17 fiscal year; and

WHEREAS, ORS 294.468 allows the City to borrow internally as provided in this official resolution; and

WHEREAS, the need for interfund loans would be to cover the borrowing funds' cash flow needs; and

WHEREAS, the interfund loans would be repaid to the loaning funds by the borrowing funds on or before June 30, 2017 or the respective repayments would be budgeted for in the duly adopted budget for the ensuing 2017-18 fiscal year; and

WHEREAS, no interest shall be charged to the borrowing funds for such inter-fund loans herein authorized; and

NOW THEREFORE, BE IT RESOLVED, that the City Council of the City of Coos Bay hereby authorizes inter-fund loans to be made from any City funds during Fiscal Year 2016-17, except from any fund established for bonded indebtedness to any other City funds that occur and are necessary in accordance with ORS 294.468.

The foregoing resolution was duly adopted by the City Council of the City of Coos Bay, Coos County, Oregon this 7th day of June 2016.

Crystal Shoji, Mayor

ATTEST:

Susanne Baker, City Recorder