

**CITY OF COOS BAY CITY COUNCIL**  
**Agenda Staff Report**

<b>MEETING DATE</b> June 6, 2017	<b>AGENDA ITEM NUMBER</b>
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TO: Mayor Benetti and City Councilors  
FROM: Susanne Baker, Finance Director  
THROUGH: Rodger Craddock, City Manager  
ISSUE Adoption of Resolution Authorizing Inter-fund Loans

**SUMMARY**

An inter-fund loan between funds allows for vendors to be paid on a timely basis while awaiting reimbursement or tax receipts.

**ACTION REQUESTED**

It is staff's recommendation the City Council adopt Resolution 17-10, authorizing inter-fund borrowing and inter-fund loans during the Fiscal Year 2017-2018 budget.

**BACKGROUND**

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

**BUDGET IMPLICATIONS**

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.

**City of Coos Bay**

**Resolution 17-10**

**A RESOLUTION OF THE CITY OF COOS BAY, COOS COUNTY, OREGON  
AUTHORIZING INTERFUND BORROWING AND INTERFUND LOANS DURING THE  
2017-18 FISCAL YEAR**

WHEREAS, the City Council recognizes that interfund borrowing and loans may be necessary during the 2017-18 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, 2018 or the respective repayments would be budgeted for in the duly adopted budget for the ensuing 2018-19 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 2017-18, 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 6th day of June 2017.

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Joe Benetti, Mayor

ATTEST:

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Susanne Baker, City Recorder