

RESOLUTION NO. 1032

A RESOLUTION ESTABLISHING AN INTERFUND LOAN FROM THE WATER FUND (F401) TO THE GENERAL FUND (F001) FOR THE FIRE STATION REMODEL PROJECT CITY OF LYNDEN, WASHINGTON

WHEREAS, the City of Lynden after considering the emergent needs of the City seeks to improve its fire-fighting capability through infrastructure improvements by remodeling and expanding the City of Lynden Fire Station; and

WHEREAS, this modification will require substantial City resources to perform the needed improvements; and

WHEREAS, Resolution No. 1032 puts forth the details of the interfund loan;

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Lynden, Washington the following proposed establishment of an interfund loan to finance the Fire Station Remodel Project:

Section A: That an amount not to exceed the sum of \$2,800,000.00 is hereby available to be transferred from the City's Water Fund (F401) to the General Fund (F001) as a three-year capital interfund loan, to be transferred this year when needed.

Section B: The borrowing fund shall make interest only payments to the lending fund at a simple interest rate that is based at the time the loan is originated on the one-year U.S. Treasury rate combined with a one percent premium. The intention is to make the interest only payments for the three-year duration of the interfund loan, then seek a commercial loan to make repayment in full the amount of the loan to the Water Fund (F401). The commercial loan payments will start in 2025 and be paid with the money that is redirected from the 2005 LTGO Bond that will be retired that same year.

Section C: BE IT FURTHER RESOLVED that any resolutions or parts of resolutions in conflict herewith are hereby repealed insofar as they conflict with the provisions of this resolution.

Section D: If any section, subsection, sentence, clause or phrase of this resolution is for any reason held to be invalid or unconstitutional, such decision shall not affect the validity of the remaining portions of this resolution. The Council hereby declares that it would have passed this code and each section, subsection, sentence, clause and phrase thereof, irrespective of the fact than any one or more sections, subsections, sentences, clauses or phrases has been declared invalid or unconstitutional, and if, for any reason, this resolution should be declared invalid or unconstitutional, then the original ordinance or ordinances shall be in full force and effect.

Section E: This resolution shall take effect and be in force from and after its passage by the Council and after its approval by the Mayor, if approved, otherwise, as provided by law and five (5) days after the date of its publication.

PASSED BY THE CITY COUNCIL BY AN AFFIRMATIVE VOTE, ____ IN FAVOR ____ AGAINST AND
SIGNED BY THE MAYOR THIS ____ DAY OF FEBRUARY 2021.

MAYOR

Scott Korthuis

ATTEST:

Pam Brown
City Clerk

APPROVED AS TO FORM:

Robert Carmichael
City Attorney