



City of Tualatin

TUALATIN DEVELOPMENT COMMISSION Staff Report

TO: Honorable Chairman and Members of the Commission
THROUGH: Sherilyn Lombos, City Manager
FROM: Don Hudson, Assistant City Manager/Finance Director
DATE: March 23, 2020

SUBJECT:

Consideration of **Resolution No. 617-20**, authorizing an interfund loan from the Leveton Tax increment District Project Fund to the Tualatin Development Commission Administration Fund.

RECOMMENDATION:

Staff recommends adopting the attached resolution.

EXECUTIVE SUMMARY:

The Tualatin Development Commission considered the Tualatin Economic Stabilization Program earlier in this meeting. If the program is approved, the \$250,000 for the program will be funded by interest accrued in the Leveton Tax Increment District Project (Leveton Projects) Fund. The program will be administered through the Tualatin Development Administration (TDC Admin) Fund. To bridge the gap before a supplemental budget can be prepared and heard by the Commission, an interfund loan will be made from the Leveton Projects Fund to the TDC Admin Fund.

Oregon Revised Statutes (ORS) 294.468 allows for a loan from one fund to another. The loan must be authorized by a Resolution of the Commission and state the fund from which the loan is to be made, the fund to which the loan is to be made, the purpose for which the loan is to be made and the principal amount of the loan. The loan is scheduled to be paid back before June 30, 2020 and must bear interest at an annual rate equivalent to the current rate of return on moneys invested in the Local Government Investment Pool (LGIP), or any such other rate that the Commission may determine. Staff is recommending a loan from the Leveton Projects Fund to the TDC Admin Fund, to be paid off prior to June 30, 2020. The TDC Admin Fund will pay interest at the rate earned through the LGIP, while the loan is outstanding. The current rate of the LGIP is 2%, and changes occasionally. The interest rate on the loan will adjust as the LGIP interest rate changes.

OUTCOMES OF DECISION:

By approving the resolution, the Tualatin Economic Stabilization Program can begin immediately and not have to wait for a supplemental budget to be prepared.

FINANCIAL IMPLICATIONS:

The Leveton Projects Fund has sufficient interest earnings over the last 4 years to fund the program, which will be transferred through a supplemental resolution later this fiscal year.

ATTACHMENTS:

- Resolution No. 617-20