RESOLUTION 2011-9

Agenda Item

TO: Mayor and City Council

FROM: Mark S. Gaugh, Interim City Manager

DATE: July 18, 2011

RE: Inter-Fund Loan

Issues

The City's General Fund is currently experiencing a temporary shortfall of cash to balance to the end of the fiscal year. I discussed this with the City's auditor, Westbrook and Company. From an accounting standpoint, the best remedy is to implement a loan from one of the Enterprise Funds to the General Fund. The General Fund will pay back to the Enterprise Fund, the amount, plus 1% interest. I determined the interest rate, based on a 24-month CD in the approximate dollar range. We will only borrow enough funds to cover the shortfall. I have requested an amount up to $75,000. The payment has been built into the proposed budget for the next fiscal year.

Recommendation

Staff recommends Council pass the resolution in order to adjust the cash amount to the General Fund.

Resolution 2011-9

A RESOLUTION AUTHORIZING AN INTER-FUND LOAN FROM THE ELECTRIC FUND TO THE GENERAL FUND FOR THE CITY OF CAMERON, CLINTON AND DeKALB COUNTIES, MISSOURI

WHEREAS, the City of Cameron, Missouri is currently experiencing a temporary shortfall of cash funds in its General Fund; and

WHEREAS, funds are required to balance the budget by the end of the 2010-2011 fiscal year, ending September 30, 2011; and

WHEREAS, said funds shall be transferred will be in the form of a loan from the Electric Fund budget and transferred to the General Fund at an amount not-to-exceed $75,000; and

WHEREAS, the actual amount of funds borrowed will be repaid to the Electric Fund from General Fund revenues over a period of twenty-four months at an annual interest rate of 1 % on the unpaid balance until repaid.

NOW, THEREFORE, BE IT RESOLVED by the Mayor and City Council for the City of Cameron, Clinton and DeKalb Counties, Missouri that the Interim City Manager is authorized to make the fund transfer upon the terms and conditions above stated.

Passed and approved this 18th of July 2011.

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Mayor Frank A. Buck

Attest:

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City Clerk