

Agenda Summary Report (ASR)

Franklin County Board of Commissioners

DATE SUBMITTED: 10/12/2021	PREPARED BY: Matt Mahoney, Public Works Director
Meeting Date Requested: 10/19/2021	PRESENTED BY: Matt Mahoney, Public Works Director
ITEM: (Select One) <input checked="" type="checkbox"/> Consent Agenda	<input type="checkbox"/> To Be Brought Before the Board Time needed: <u>N/A</u>
SUBJECT: Inter-fund loan, up to \$2,000,000, from the 2021 Distressed County LTGO DS Fund (Miscellaneous Fund 280) to the 2021 County Road Fund (Miscellaneous Fund 150).	
FISCAL IMPACT: This loan is being requested for cash flow purposes only. It will not affect the bottom line of the 2021 County Roads Fund's Budget for Expenditures.	
BACKGROUND: The County Roads Fund has worked with the Board to establish an adequate reserve to fund the total costs of construction projects, maintain its budgeted maintenance activities, and accommodate cash flow. Since 2015, the County Roads Fund has incurred significant impacts to its reserves due to three separate Emergency Declarations, lower than expected Motor Vehicle Fuel Tax Revenues, and decreases in the County Road Property Tax Levy. As the Board is aware, Federal and State Grant funded projects require the County to pay for all costs associated with said projects prior to reimbursement from the funding agency. This requires the County Road Fund to have adequate reserves to make such payments, and maintain all budgeted activities. For example, we currently have a major County Road Project, under construction, with a recent pay estimate of \$750,000 and an expected timeline of reimbursement at approximately three to four weeks. Currently, the County Roads Fund does not have the necessary reserves to fund the total costs of construction projects, maintain its budgeted maintenance activities, and accommodate cash flow. An interfund loan from the 2021 Distressed County LTGO DS Fund (Miscellaneous Fund 280) to the 2021 County Roads Fund (Miscellaneous Fund 150), is necessary to ensure the County Roads Fund does not encounter a fund deficit, and is able to maintain its budgeted operations. To insure that there are no impacts to the cash flow within the County Roads Fund and no delays in payments to all vendors and contractors, we are requesting that the Board authorize the County Administrator to initiate the loan, immediately, from the 2021 Distressed County LTGO DS Fund (Miscellaneous Fund 280) for this purpose, not to exceed \$2,000,000.	
RECOMMENDATION: Staff recommends that the Board approve an interfund loan from the 2021 Distressed County LTGO DS Fund (Miscellaneous Fund 280) to the 2021 County Roads Fund (Miscellaneous Fund 150), and authorize creation of revenue line item 36140150 (Other Interest – County Roads), revenue line item 38120150 (Interfund Loan Repayment Received – County Roads) for receipt of loan repayment and interest, and expenditure line item 58110150 (Interfund Loans - County Roads) within the 2021 Distressed County LTGO DS Fund (Miscellaneous Fund 280) for issuance of loan, and the creation of revenue line item 38110100 (Interfund Loans Received – Distressed County LTGO DS Fund) for receipt of loan, expenditure line item 58120100 (Interfund Loan Repayments – Distressed County LTGO DS Fund), and expenditure line item 59295100 (Interest and Other Debt Service Cost – Roads/Streets and Other Infrastructure within the 2021 County Roads Fund (Miscellaneous Fund 150) for repayment of loan and interest, and authorize the County Administrator to initiate the loan, immediately, from 2021 Distressed County LTGO DS Fund (Miscellaneous Fund 280) for this purpose, not to exceed \$2,000,000, with repayment for principal and interest to occur as revenues become available and there is assurance that the County Roads Fund will not encounter a fund deficit, and is able to maintain its budgeted operations, and repayment of the principal and interest of this loan must occur no later than December 31, 2022 at the current LGIP rate, commencing with the approval of this resolution.	
Suggested Motion: I hereby move that the Board of Franklin County Commissioners approve an interfund loan from the 2021 Distressed County LTGO DS Fund (Miscellaneous Fund 280) to the 2021 County Roads Fund (Miscellaneous Fund 150), and authorize creation of revenue line item 36140150 (Other Interest – County Roads), revenue line item 38120150 (Interfund Loan Repayment Received – County Roads) for receipt of loan repayment and interest, and expenditure line item 58110150 (Interfund Loans - County Roads) within the 2021 Distressed	

County LTGO DS Fund (Miscellaneous Fund 280) for issuance of loan, and the creation of revenue line item 38110100 (Interfund Loans Received – Distressed County LTGO DS Fund) for receipt of loan, expenditure line item 58120100 (Interfund Loan Repayments – Distressed County LTGO DS Fund), and expenditure line item 59295100 (Interest and Other Debt Service Cost – Roads/Streets and Other Infrastructure within the 2021 County Roads Fund (Miscellaneous Fund 150) for repayment of loan and interest, and authorize the County Administrator to initiate the loan, immediately, from 2021 Distressed County LTGO DS Fund (Miscellaneous Fund 280) for this purpose, not to exceed \$2,000,000, with repayment for principal and interest to occur as revenues become available and there is assurance that the County Roads Fund will not encounter a fund deficit, and is able to maintain its budgeted operations, and repayment of the principal and interest of this loan must occur no later than December 31, 2022 at the current LGIP rate, commencing with the approval of this resolution.

COORDINATION:

This package has been discussed and coordinated with, and is supported by Keith Johnson, County Administrator, Craig Erdman, County Engineer/Assistant Public Works Director, Thomas Westerman, Auditor's Director of Finance, and Tim Anderson, Auditor's Accounting Supervisor.

ATTACHMENTS:

The documents included in this package are as follows:


1. DRAFT Resolution

HANDLING / ROUTING:

To the Clerk of the Board: 1 – Original Resolution
To the Auditor/Accounting: 1 – Copy Resolution

To the Public Works Department: 1 – Copy Resolution
To the Treasurer: 1 – Copy Resolution

I certify the above information is accurate and complete.



Matt Mahoney, Public Works Director

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FRANKLIN COUNTY RESOLUTION

**BEFORE THE BOARD OF COMMISSIONERS OF
FRANKLIN COUNTY WASHINGTON**

**AUTHORIZING AN INTERFUND LOAN FROM
THE 2021 DISTRESSED COUNTY LTGO DS FUND (MISCELLANEOUS FUND 280)
TO THE 2021 COUNTY ROADS FUND (MISCELLANEOUS FUND 150)**

WHEREAS, County Roads Fund has worked with the Board to establish an adequate reserve to fund the total costs of construction projects, maintain its budgeted maintenance activities, and accommodate cash flow; and

WHEREAS, since 2015, the County Roads Fund has incurred a significant decline in revenues and its fund balance; and

WHEREAS, the County Roads Fund does not have the necessary reserves to fund the total costs of construction projects, maintain its budgeted maintenance activities, and accommodate cash flow; and

WHEREAS, an interfund loan from the 2021 Distressed County LTGO DS Fund (Miscellaneous Fund 280) to the 2021 County Roads Fund (Miscellaneous Fund 150), is necessary to ensure the County Roads Fund does not encounter a fund deficit, and is able to maintain its budgeted operations; and

WHEREAS, it is necessary to create line items within the 2021 Distressed County LTGO DS Fund (Miscellaneous Fund 280), and the 2021 County Roads Fund (Miscellaneous Fund 150), to reflect the loan;

WHEREAS, upon receipt of federal and state reimbursements for County Road projects, 2nd half County Road Levy collections, and Motor Vehicle Fuel Tax receipts, said revenues would be utilized to further ensure the County Roads Fund does not encounter a fund deficit, is able to maintain its budgeted operations, and re-payment of the loan and subsequent replenishment of the Distressed County LTGO DS Fund.

NOW, THEREFORE, BE IT RESOLVED the Board of Franklin County Commissioners hereby approves an interfund loan from the 2021 Distressed County LTGO DS Fund (Miscellaneous Fund 280) to the 2021 County Roads Fund (Miscellaneous Fund 150).

BE IT FURTHER RESOLVED, the Board of Commissioners hereby authorizes creation of revenue line item 36140150 (Other Interest – County Roads), revenue line item 38120150 (Interfund Loan Repayment Received – County Roads) for receipt of loan repayment and interest, and expenditure line item 58110150 (Interfund Loans - County Roads) within the 2021 Distressed County LTGO DS Fund (Miscellaneous Fund 280) for issuance of loan.

BE IT FURTHER RESOLVED, the Board of Commissioners hereby authorizes creation of revenue line item 38110100 (Interfund Loans Received – Distressed County LTGO DS Fund) for receipt of loan, expenditure line item 58120100 (Interfund Loan Repayments – Distressed County LTGO DS Fund), and expenditure line item 59295100 (Interest and Other Debt Service Cost – Roads/Streets and Other Infrastructure within the 2021 County Roads Fund (Miscellaneous Fund 150) for repayment of loan and interest.

BE IT FURTHER RESOLVED, the Board of Commissioners hereby authorizes the County Administrator to initiate the loan, immediately, from 2021 Distressed County LTGO DS Fund (Miscellaneous Fund 280) for this purpose, not to exceed \$2,000,000.

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BE IT FURTHER RESOLVED, repayment for principal and interest of this loan will occur as revenues become available and there is assurance that the County Roads Fund will not encounter a fund deficit, and is able to maintain its budgeted operations. Full repayment of the principal and interest of this loan must occur no later than December 31, 2022 at the current LGIP rate, commencing with the approval of this resolution.

APPROVED this 19th day of October, 2021.

**BOARD OF COUNTY COMMISSIONERS
FRANKLIN COUNTY, WASHINGTON**

Chair

Chair Pro Tem

Attest: _____
Clerk of the Board

Member

Originals: Clerk of the Board

Copy: Public Works Department
Auditor – Accounting
Treasurer