

RESOLUTION NO 6608-2024

RESOLUTION OF THE COUNCIL OF THE CITY OF SEBASTOPOL
ESTABLISHING AN INTERFUND LOAN AGREEMENT BETWEEN THE GENERAL FUND AND WASTEWATER
FUND

WHEREAS, given the projected deficit as identified in a recent water/wastewater rate study, the Wastewater Fund requires a short-term interfund loan in order to keep the positive cash flow through June 30, 2024; and

WHEREAS, the City desires and has the funds necessary to facilitate a short-term interfund loan from the General Fund to the Wastewater Fund; and

WHEREAS, this Agreement evidences the obligation of the Wastewater Fund to the General Fund for the repayment of funds loaned to the Wastewater Fund by the General Fund for the purpose of cash flow positive through June 30, 2024; and

WHEREAS, the City agrees to transfer from the General Fund to the Wastewater Fund the amount of one million one hundred thousand dollars (\$1,100,000) as of June 30, 2024; and

WHEREAS, the interfund loan term shall be for a five (5) year period; and shall accrue zero interest; and

WHEREAS, the Wastewater Fund shall be required to repay the General Fund in full by June 30, 2032; and

WHEREAS, City staff is directed to make necessary appropriation adjustments to execute this loan; and

WHEREAS, City staff is directed to appropriately record this loan in the City's financial system and subsequent financial reports, as necessary.

NOW, THEREFORE, BE IT RESOLVED, by the Council of the City of Sebastopol that the interfund loan between General Fund and Wastewater, is hereby approved and adopted as listed in the FY23-24 Estimated Actual of the operating budget for the City of Sebastopol for fiscal year 2024-25.

The above and foregoing Resolution was duly passed, approved, and adopted at a meeting by the City Council on the 6th day of August 2024.

I, the undersigned, hereby certify that the foregoing Resolution was duly adopted by the City of Sebastopol City Council by the following vote:

VOTE:

- Ayes: Councilmember Maurer, Vice Mayor Zollman and Mayor Rich
- Noes: None
- Absent: Councilmembers Hinton and McLewis
- Abstain: None

APPROVED:  Signed by:
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 Mayor Diana Gardner Rich

ATTEST:  DocuSigned by:
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 Mary Gourley, Assistant City Manager/City Clerk, MMC