

RESOLUTION AUTHORIZING THE FINANCIAL SERVICES DEPARTMENT TO ESTABLISH AN INTERFUND LOAN TO THE COMMUNITY DEVELOPMENT BLOCK GRANT ENTITLEMENT FUND, AND/OR THE COMMUNITY DEVELOPMENT BLOCK GRANT FUND, AND/OR THE SPARKS GRANTS & DONATIONS FUND, FROM THE GENERAL FUND AS NEEDED DURING FISCAL YEAR 2019-2020 (FY20).

WHEREAS, the City of Sparks utilizes Special Revenue Funds called: the Community Development Block Grant Entitlement Fund, the Community Development Block Grant Fund, and the Sparks Grants & Donations Fund, to account for the resources as required by the provisions of various granting entities, and

WHEREAS, the grant funds noted are responsible for paying the program costs and then requesting reimbursements from the granting entities, and

WHEREAS, the grant funds do not always have sufficient financial resources to pay for the program costs until reimbursements are received, and therefore an interfund loan may be necessary to meet temporary cash flow needs, and

WHEREAS, NRS 354.6118 (the "Act") requires the City hold a public hearing and make certain determinations before making an interfund loan, and

WHEREAS, the ability to predict cash needs of the grant funds and hold a public hearing before grant required expenditures are made is not practicable, and

WHEREAS, approval from Council to issue an interfund loan(s) as necessary to meet the cash flow needs of the grant funds is required.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Sparks that an interfund loan(s) up to a combined maximum amount of \$500,000 from the General Fund to the Community Development Block Grant Entitlement Fund and/or the Community Development Block Grant Fund, and/or the Sparks Grants & Donations Fund, is herein authorized to be made as necessary to meet cash needs through June 30, 2020, and

- Section 1. Pursuant to the Act, the City hereby determined at the public hearing that:
- (a) A sufficient amount of money is available for the loan and that money is not restricted as to its use; and
 - (b) The loan will not compromise the economic viability of the General Fund from which the money is loaned.
- Section 2. Pursuant to the Act, the City hereby determined at the public hearing that:
- (a) The loan is to be repaid no later than thirty (30) days after it is made; and
 - (b) The amount of the loan, up to \$500,000, will be repaid from legally available funds of the City that are deposited into the grant funds over the term of the loan; and
 - (c) No interest will be charged for this loan, and for its duration, interest income will be paid to the grant funds only on the cash balance within each fund that exceeds the outstanding loan amount.

BE IT FURTHER RESOLVED that in making this loan, the Council has determined that General Fund money that is not restricted as to its use is available for the loan and the General Fund will not be adversely affected.

PASSED AND ADOPTED on this 24th day of June, 2019 by the following vote of the City Council.

AYES: Abbott, Lawson, Anderson, Bybee

NAYS: None

ABSENT: Dahir

ABSTAIN: None

APPROVED this 24th day of June, 2019.

Ron Smith
Mayor

ATTEST:

APPROVED AS TO FORM AND LEGALITY:

By _____
Lisa Hunderman
City Clerk

By _____
Chester Adams
City Attorney