

**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.**

**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 requires the City hold a public hearing before the loan is made to determine, that a sufficient amount of money is available for the loan and the money is not restricted as to its use, and that the loan of the money will not compromise the economic viability of the fund from which the money is loaned, and establish the amount of time the money will be on loan from the fund, and the terms and conditions for repaying the loan, and the rate of interest, if any, to be charged for the 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 therefore 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, 2018, and

**BE IT FURTHER RESOLVED** that the loan is to be repaid no later than thirty (30) days after it is made, and

**BE IT FURTHER RESOLVED** that 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, and

**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.

RESOLUTION NO. \_\_\_\_\_

INTRODUCED BY COUNCIL

**PASSED AND ADOPTED** on this 10<sup>th</sup> day of July, 2017 by the following vote of the City Council.

**AYES** \_\_\_\_\_

**NAYS** \_\_\_\_\_

**ABSENT** \_\_\_\_\_

**ABSTAIN** \_\_\_\_\_

**APPROVED** this 10<sup>th</sup> day of July, 2017.

\_\_\_\_\_  
Geno R. Martini  
Mayor

ATTEST:

APPROVED AS TO FORM AND LEGALITY:

By \_\_\_\_\_  
Teresa Gardner  
City Clerk

By \_\_\_\_\_  
Chester Adams  
City Attorney