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Memorandum Date: October 21, 2009

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**TO:** Board of County Commissioners  
**DEPARTMENT:** Management Services  
**PRESENTED BY:** David Suchart, Management Services Director  
**AGENDA ITEM TITLE:** IN THE MATTER OF EXTENDING THE DUE DATE OF A CAPITAL INTERFUND LOAN FOR THE CHARNELTON BUILDING

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**I. MOTION**

MOVE APPROVAL OF ORDER AND RESOLUTION 09-10-21-XX EXTENDING THE DUE DATE OF A CAPITAL INTERFUND LOAN FOR THE CHARNELTON BUILDING FROM THE SOLID WASTE RESERVES IN THE FLEET FUND TO THE CAPITAL IMPROVEMENT FUND

**II. AGENDA ITEM SUMMARY**

This item extends the due date of an outstanding interfund loan from the Solid Waste Fund to the Capital Improvement Fund.

**III. BACKGROUND/IMPLICATIONS OF ACTION**

**A. Board Action and Other History**

On June 11, 2008, the Board authorized a capital interfund loan to cover interim capital improvement costs on the Charnelton building. The loan was to provide temporary funding until the economic climate was more favorable for a bond issue. The due date of the loan was established as November 1, 2009 to coincide with the anticipated closing date of the bonds.

**B. Policy Issues**

This item is consistent with the interfund loan policies in Lane Manual 4.035.

**C. Board Goals**

This item supports the goals of providing efficient and effective financial and

administrative support and systems and allocating resources strategically.

**D. Financial and/or Resource Considerations**

The Board authorized on August 5, 2009 issuance of tax exempt debt financing to repay this interfund loan and finance other projects, including renovation of the Springfield Health Care Clinic. The County has also submitted an application for a federal grant to fund the renovations of the Springfield Health Care Clinic. In the event the grant is awarded, the financing for that portion of the projects will not be necessary. Delaying the bond issue until the outcome of the grant application is announced will allow the County to save significant costs related to issues surrounding the financing of a grant-funded project.

**E. Analysis**

Announcement of the grant award is expected by October 31, 2009. Postponing the bond issue until the outcome is announced will allow the bond issue to be sized appropriately and avoid duplicative issuance costs which would be incurred by separating the funding into two issues.

**F. Alternatives/Options**

1. Approve the resolution authorizing extension of the interfund loan due date.
2. Do not authorize the extension and proceed with bond issuance prior to the announcement of the grant award.
3. Do not authorize the extension and place the financing for the Springfield Health Care Clinic in a separate bond issue.

**IV. RECOMMENDATION**

The Management Services Director recommends extension of the loan due date.

**V. TIMING/IMPLEMENTATION**

If approved, the due date of the loan will be extended to January 1, 2010 and the loan will be repaid in full with proceeds from the bonding.

**VI. FOLLOW-UP**

None.

**VII. ATTACHMENTS**

Order and Resolution 09-10-21-XX

**THE BOARD OF COUNTY COMMISSIONERS, LANE COUNTY, OREGON**

**ORDER AND RESOLUTION** ) IN THE MATTER OF EXTENDING THE DUE  
 ) DATE OF A CAPITAL INTERFUND LOAN FOR THE  
 ) CHARNELTON BUILDING FROM THE SOLID WASTE  
 ) RESERVES IN THE FLEET FUND TO THE CAPITAL  
 ) IMPROVEMENT FUND

WHEREAS, the Board of County Commissioners authorized a capital interfund loan on June 11, 2008 in the amount of \$3,100,000 from the Solid Waste Fund and \$1,000,000 from the Solid Waste Reserves in the Fleet Fund to the Capital Improvement Fund; and

WHEREAS, the loan was to be repaid from proceeds of a debt obligation issuance anticipated to occur prior to November 1, 2009; and

WHEREAS, after due consideration the Board of County Commissioners has determined that it would be advantageous to delay the issuance of the debt obligation for approximately 45 days;

IT IS HEREBY ORDERED AND RESOLVED that the Board of Commissioners extends the due date of the interfund loan principal and interest to January 1, 2010.

Dated this    day of October, 2009.

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PETE SORENSON, CHAIR  
Board of County Commissioners

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