

RESOLUTION NO. 2006

RESOLUTION AUTHORIZING THE ELIMINATION OF UNNECESSARY FUNDS AND TRANSFERRING THE RESIDUAL BALANCE TO THE GENERAL FUND.

WHEREAS, the City created a special debt service fund to account for activity related to Local Improvement District (LID) #10 (95th Street improvements); and

WHEREAS, the bonded debt associated with LID #10 has been fully retired and all payments have been received from benefiting participants; and

WHEREAS, no further accounting activity is anticipated in the fund; and

WHEREAS, the budget adopted for 2006-07 anticipated such a transfer and included an appropriation in the amount of \$146,401; and

WHEREAS, on June 1, 2006 the residual balance in the fund totaled \$142,383; and

WHEREAS, ORS 294.475 provides that a governing body may so declare a fund as unnecessary and may transfer the residual balance to the General Fund.

NOW, THEREFORE, THE CITY OF WILSONVILLE RESOLVES AS FOLLOWS:

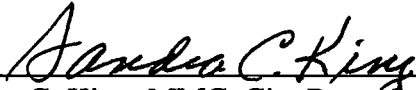
1. Declares LID 10 debt service fund as no longer necessary.
2. Authorizes the transfer of the residual balance from the debt service fund to the General Fund effective July 1, 2006.

ADOPTED by the Wilsonville City Council at a regular meeting thereof this 19th day of June 2006 and filed with the Wilsonville City Recorder this date.



CHARLOTTE LEHAN, Mayor

ATTEST:



Sandra C. King, MMC, City Recorder

SUMMARY OF VOTES:

Mayor Lehan	Yes
Council President Kirk	Yes
Councilor Holt	Yes
Councilor Knapp	Excused
Councilor Ripple	Yes

FINANCE DEPARTMENT
STAFF REPORT

Date: June 19, 2006
To: Honorable Mayor and City Council
From: Gary S. Wallis, Finance Director
Subject: Residual Equity Transfer

SUMMARY:

Transfer to the General Fund the remaining cash balances from Local Improvement District (LID) #10 fund, 95th Street improvements. The cash balance was generated from lower interest costs as a result of an advanced principal payment in 2003. All principal and interest on the bonds have been paid.

BACKGROUND:

The City acts as a pass through for LID participants. That is, participants pay their semi-annual principal and interest amounts to the City which in turn passes the amounts on to the bond holders. Over the life of the district many properties were sold and the owners paid off the debt due the City early. This provided an unexpected cash balance. In October 2003 the City used \$700,000 of the cash balance to pay down the principal, which shortened the life of the bonds by 7 years and provided the resulting savings.

ORS 294.475 provides guidance on eliminating unnecessary funds. Basically, if the need for the fund has ceased and a balance remains in the fund, the balance may be transferred to the General Fund by approval of the governing body.

The transfer of these amounts was anticipated in the budget for 2006-07.

RECOMMENDATION:

Approval of accompanying Resolution transferring residual balances from the debt service fund to the General Fund.