

ORDINANCE NO. 115

AN ORDINANCE OF THE CITY OF UNIVERSITY PLACE, WASHINGTON, AUTHORIZING A THREE YEAR LOAN FROM THE STREET FUND TO THE GENERAL FUND, AMENDING THE 1996 BUDGET, AND AUTHORIZING PAYMENT OF INTEREST THEREON AT THE RATE AT WHICH THE CITY MAY BORROW FOR ITS OWN USE.

WHEREAS, the City was incorporated on August 31, 1995, and

WHEREAS, the City received moneys collected for street purposes from August 31 through December 31, 1995 by Pierce County as diverted road tax revenues, pursuant to RCW 35.02.140; and

WHEREAS, State law provides that the diverted road tax revenues may be loaned to the General fund for startup purposes, and must be repaid with interest within three years; and

WHEREAS, the funds were inadvertently deposited into the General Fund, and used to support the Street Fund activities,

THE CITY COUNCIL OF THE CITY OF UNIVERSITY PLACE DO ORDAIN AS FOLLOWS:

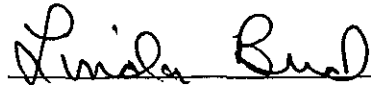
Section 1. Authorizing a Temporary Loan of Street Fund Moneys to the General Fund. A temporary loan from the Street Fund to the General Fund in the amount of \$1,248,838 is hereby authorized.

Section 2. Establishing a Loan Repayment Schedule. The temporary loan from the Street Fund to the General Fund shall be repaid over a three year period, commencing August 31, 1995 and ending August 31, 1998. The annual principal repayment shall be the amount budgeted for street purposes from the General Fund in the annual budget, less an amount which shall be the interest on the outstanding principal of said loan.

Section 3. Establishing an Interest Rate on the Temporary Loan. The City repaid a tax anticipation note in 1996, at the rate of 5.4%, which shall be the rate of interest applied to the temporary loan from the Street Fund outstanding principal balance, until repaid in full.

Section 4. Publication and Effective Date. A summary of this Ordinance consisting of its title shall be published in the official newspaper of the city. This ordinance shall take effect five days after publication.

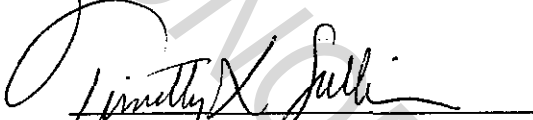
PASSED BY THE CITY COUNCIL ON SEPTEMBER 16, 1996.


Linda Bird, Mayor Pro Tem

ATTEST:


Susan Matthew, City Clerk

APPROVED AS TO FORM:


Timothy X. Sullivan, City Attorney

Date of Publication: 9-18-96

Effective Date: 9-23-96