

**WHATCOM COUNTY
PUBLIC WORKS DEPARTMENT**

Elizabeth Kosa
Director



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Memo

To: The Honorable Satpal Sidhu, Whatcom County Executive, and
Honorable Members of the Whatcom County Council

Through: Elizabeth Kosa, Public Works Director

From: Julia Green, Financial Services Manager

Date: November 6, 2024

Re: Amending Ordinance 2013-022; Amending the Funding Limit of Cash Flow Loans from the
Road Fund to Capital Project Budgets

Requested Action:

Whatcom County Public Works requests that Council amend Ordinance 2013-022, to allow the Road Fund to issue cash-flow loans to capital project budgets from \$1 million to \$2 million for a term not to exceed two years.

Background and Purpose:

Ordinance 2013-022 granted the Road Fund the ability to provide cash flow loans up to \$1 million to capital project budgets in order to ensure that there was adequate funding to continue to pay contractors while awaiting funding reimbursements from grantor agencies.

In recent years, construction costs have increased significantly and progress payments have begun to exceed \$1 million. When delays occur in reimbursements from grantor agencies, it hinders our ability to pivot quickly obtain the cash needed to pay out contractors on a timely basis. The alternative options during this situation are either to take a short-term cash flow loan from the Rainy-Day Reserve Fund or delay payment in the hopes of obtaining our outstanding reimbursement request in time to pay within the 30-day window per RCW 39.76.011.

Whatcom County Public Works requests approval of the proposed ordinance amending Ordinance 2013-022, in order to give the Road Fund the ability to issue the cash flow loans as up to \$2 million per capital project budget to ensure that projects run smoothly and contractors are paid in a timely manner.

Funding Amount and Source:

Not applicable

Please contact Julia Green at extension 6313 if you have any questions or concerns.