

ORDINANCE NO. _____

**ORDINANCE AUTHORIZING INTERFUND LOANS TO FINANCE CASH FLOW FOR
COUNTY ROAD FUND**

WHEREAS, the Road Fund executes numerous capital projects annually through the Annual Construction Program; and

WHEREAS, not all capital projects meet the multi-year requirement to be in a capital project fund per County policy project accounting requirements; and

WHEREAS, most capital work performed is executed between the summer months of May and September, which results in large cash outflows from the Road Fund; and

WHEREAS, property taxes make up roughly 80% annually of revenue for the Road Fund; and

WHEREAS, property taxes are collected from the taxpayers twice a year, with the first half on April 30th and the second half on October 31st; and

WHEREAS, the national annual average of the Consumer Price Index was 232.957 in 2013 and 313.056 in 2024, reflecting a 34.38% rise inflation over the past decade, and

WHEREAS, costs associated with capital projects have risen significantly, resulting in progress payments in excess of \$1,000,000 per project; and

WHEREAS, given the processing time required to receive grant fund reimbursements, large project payments to Contractors can be significantly delayed without a sufficient cash balance; and

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2 **WHEREAS**, per RCW 36.82.070- the Road Fund is designated for the construction,
3 alteration, repair, improvement, or maintenance of county roads and bridges; and
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8 **WHEREAS**, the Road Fund requires sufficient cash flow to support the ongoing
9 operations of the non-capital services provided to the County, and
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13 **WHEREAS**, Whatcom County has access to various funding sources, including the
14 Economic Development Investment Program, Real Estate Excise Tax, and General
15 Fund, each with specific eligibility criteria, that can support certain Road Fund
16 operations and capital projects, contingent upon the allowable uses of those funds;,
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21 **WHEREAS**, the County Treasurer and County Finance Director hold the fiduciary
22 responsibility for all County funds and have intimate knowledge of their health and
23 allowable uses per Federal, State, and County law, and
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27 **WHEREAS**, action must be taken to ensure the Road Fund has the cash flow
28 capacity necessary to support the ongoing operations of the non-capital services
29 provided to the County, and
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NOW, THEREFORE, BE IT ORDAINED by the Whatcom County Council that the Whatcom County Treasurer is hereby authorized to make inter-fund loans from any eligible County Funds to the County Road Fund for cash flow purposes. The loans shall not exceed \$4,000,000 per project and shall not be for a term exceeding two years. No interest shall be charged on the loans.

BE IT FURTHER ORDAINED that the Director of Administrative Services shall notify the Council of the fund they recommend to the Treasurer for executing the loan, and shall also notify the Council if the Treasurer's decision deviates from that recommendation.

ADOPTED this ____ day of _____, 2025.

ATTEST:

Cathy Halka, Clerk of the Council

WHATCOM COUNTY COUNCIL
WHATCOM COUNTY, WASHINGTON

Kaylee Galloway, Council Chair

APPROVED AS TO FORM:

Christopher Quinn, Chief Civil Deputy Prosecutor

WHATCOM COUNTY COUNCIL
WHATCOM COUNTY, WASHINGTON

Satpal Sidhu, County Executive

() Approved () Denied

Date Signed: _____