

OFFICE OF THE COUNTY ADMINISTRATOR

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April 12, 2021

To: Mahesh Sharma, County Administrator

From: David Farmer, CPA, MPA, Director of Budget and Administrative Services

RE: Interfund Transaction – Due from Golf Course Fund – Interfund Loan

The Scott County Conservation Department has evaluated the need for replacement Golf Course mower equipment. The Conservation Board has both purchased the mowers outright and lease financed the purchase in the past. Due to new governmental reporting standards and national reporting of any new material debt transactions, I am recommending an interfund loan, called a "Due from Golf Course", between the Scott County General Fund and the Golf Course fund in the amount not to exceed \$250,000. The transaction serves as an interfund loan between the two funds.

The transaction will enable the county to purchase the equipment outright and not incur approximately \$15,600 in interest costs at 4.65% over a 48 month term. The debt did not qualify at "qualified tax-exempt obligation". I am not recommending any interest charged between funds due to the current low rates on money held by the County, and intent to save the Golf Course money for the county as a whole.

The resolution will stipulate the Golf Course has until June 30, 2025 to repay the loan; however the Course will likely be able to pay it back before then based on the prior proposed debt service schedule.

I will be at the April 27, 2021 Committee of the Whole meeting to address any questions.

CC: Roger Kean, Conservation Director

THE COUNTY AUDITOR'S SIGNATURE CERTIFIES
THAT THIS RESOLUTION HAS BEEN FORMALLY
APPROVED BY THE BOARD OF SUPERVISORS ON

DATE

SCOTT COUNTY AUDITOR

R E S O L U T I O N

SCOTT COUNTY BOARD OF SUPERVISORS

APRIL 29, 2021

APPROVING AN INTERFUND LOAN BETWEEN THE GENERAL FUND AND THE
GOLF COURSE FUND.

BE IT RESOLVED BY the Scott County Board of Supervisors as follows:

- Section 1. The County's Golf Course and Conservation Board is seeking to purchase replacement mower equipment. The replacement equipment costs approximately \$250,000.
- Section 2. The Director of Budget and Administrative Services is hereby authorized process an interfund loan between the County's General Fund and Golf Course fund in the amount of \$250,000. The interfund loan will be repaid to the by June 30, 2025.
- Section 3. This resolution shall take effect immediately.