



Las Vegas

Agenda Item No.: 56.

AGENDA SUMMARY PAGE
CITY COUNCIL MEETING OF: MARCH 18, 2009

DEPARTMENT: FINANCE AND BUSINESS SERVICES

DIRECTOR: CANDACE HALDER, ACTING

☐ Consent ☒ Discussion

SUBJECT:
RESOLUTIONS:

R-18-2009 - Public Hearing and possible action on a Resolution amending Resolution R-67-2008 authorizing monetary obligation in the form of an interfund loan in an amount not to exceed \$80,000,000 from the Sanitation Enterprise Fund to the Capital Projects Funds - Ward 5 (Barlow)

Fiscal Impact

☐

No Impact

☐ Augmentation Required

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Budget Funds Available

Amount: \$80,000,000

Funding Source: Sanitation Enterprise Funds

Dept./Division: Finance and Business Services

PURPOSE/BACKGROUND:

The interfund loan is for the purpose of funding the construction of public improvements within the City's Redevelopment Area.

RECOMMENDATION:

Staff recommends approval.

BACKUP DOCUMENTATION:

1. Resolution No. R-18-2009
2. Submitted at Meeting Proposed Interfund Loan Pro Forma Amortization Schedule by Staff

Motion made by RICKI Y. BARLOW to Approve

Passed For: 5; Against: 0; Abstain: 0; Did Not Vote: 0; Excused: 2

RICKI Y. BARLOW, LOIS TARKANIAN, STEVE WOLFSON, OSCAR B. GOODMAN, GARY REESE; (Against-None); (Abstain-None); (Did Not Vote-None); (Excused-STEVEN D. ROSS, DAVID W. STEINMAN)

Minutes:

MAYOR GOODMAN declared the Public Hearing open.

ACTING DEPUTY CITY MANAGER MARK VINCENT stated that R-67-2008 had been approved on November 19th, 2008, and forwarded to the Department of Taxation for approval. The Department of Taxation had requested amendments which would clarify how the proceeds of the interfund loan would be used and reflect a level debt service payment. He submitted the

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debt service payment information for the record.

ACTING DEPUTY CITY MANAGER VINCENT reported that the Redevelopment Agency (RDA) had a very successful bond sale and that the interfund loan would be used as a stop-gap form of funding for the RDA bonds. He pointed out that gaps in the funding for RDA projects was anticipated and staff would like the ability to use interfund loans as necessary. He stressed that those amounts would be significantly less than the amount requested today. This was an interest-bearing loan transfer with an interest rate of three percent. The Sanitation Enterprise Fund needed these monies for Capital Improvement Projects and the debt repayment plan would allow those projects to move forward unencumbered.

COUNCILMAN WOLFSON observed that the City has received some criticism on this transaction and wondered if it was unusual. ACTING DEPUTY CITY MANAGER VINCENT explained that he could not speak for other municipalities, but noted it was allowed by statute and the City had taken similar action for regional flood projects. While not common, it was in the best interests of the citizens. The City has some significant financial assets and this allows use of those funds in a responsible way. The RDA had successfully demonstrated its ability to pay back this loan to the Department of Taxation. These funds are crucial to the infrastructure and development of the Performing Arts Center, the anchor for Spanish Union Park. He noted that additional monies were available if the museum project in the RDA could demonstrate its ability to pay those additional funds back.

ACTING DEPUTY CITY MANAGER VINCENT assured COUNCILMAN BARLOW that the projects funded through this action would be available at the upcoming Budget Workshop. He stated this loan would not negatively impact taxpayers and stressed that the Sanitation Enterprise Fund would be reimbursed the loan amount with interest. This transaction would allow redevelopment and economic activity to continue as well as get those sites ready for development when the economy recovers.

JOE MAVIGLIA, 4487 East Lake Mead Boulevard, expressed his support of the resolution. After learning that the City would be loaning money from one department to another, ANTHONY HODGES, 123 Sir David Way, expressed his support.

MAYOR GOODMAN declared the Public Hearing closed.