

FINANCE COMMITTEE

13-0024R

RESOLUTION ESTABLISHING A REVOLVING LINE OF CREDIT NOT TO EXCEED \$600,000 FOR THE SPIRIT MOUNTAIN RECREATION AREA AUTHORITY.

CITY PROPOSAL:

RESOLVED, that the city acting through the city treasurer, shall make available to the Spirit Mountain Recreation Area Authority (Authority) a revolving line of credit not to exceed \$600,000 on a calendar year basis, to be drawn as needed to assist in the management of its cash flow within the annual operating budget as approved by the city council. The revolving line of credit shall be repaid in full (to a zero balance) by December 31st of any given year. Interest at a rate of 2.5 percent per annum shall be charged on drawn funds.

Approved:

  
\_\_\_\_\_  
Department Director

Approved for presentation to council:

  
\_\_\_\_\_  
Chief Administrative Officer

Approved as to form:

  
\_\_\_\_\_  
Attorney

Approved:

  
\_\_\_\_\_  
Auditor

FIN WP:le 01/05/2013

STATEMENT OF PURPOSE: This resolution establishes a revolving line of credit available to the Spirit Mountain Recreation Area Authority on a calendar year basis to assist in the management of its cash flow requirements due to the seasonal nature of its business operations. An interest rate of 2.5 percent per annum shall be charged on drawn funds. The line of credit must be repaid in full by December 31<sup>st</sup> of any given year that the line of credit is accessed for cash flow needs. All records relating to the revolving line of credit shall be subject to audit and public disclosure.