

ORDINANCE NO 06-2634

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF BLAINE, WASHINGTON,
ADDING SECTION 3.46.080 AND AUTHORIZING THE TRANSFER OF LID GUARANTY
FUND ASSETS TO THE GENERAL FUND RESERVE

WHEREAS, the State of Washington RCW 35.54.095 authorizes the transfer of assets from the Local Improvement Guaranty Fund to the General Fund if the Guaranty Fund has sufficient funds to meet all its outstanding obligations; and

WHEREAS, the City of Blaine considers the General Fund Reserve to be a segregated part of the General Fund; and

WHEREAS, the Local Improvement Bonds backed by this Guaranty Fund were used mainly to improve the City of Blaine streets, storm drains, curbs and sidewalks;

NOW, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF BLAINE AS
FOLLOWS:

SECTION 1: Blaine Municipal Code Section 3.46.080 is hereby is added to Chapter 3.46 Local Improvement Guaranty Fund as follows:

3.46.080 Transfer of assets to the General Fund Reserve.

A. Upon certification by the City Finance Director that the local improvement guaranty fund has sufficient funds currently on hand to meet all valid outstanding obligations of the fund and all other obligations of the fund reasonably expected to be incurred in the near future, the City Council may by ordinance transfer assets from such fund to its general fund reserve.

B. The net cash of the local improvement guaranty fund may be reduced by such transfer to an amount not less than ten percent (10%) of the net outstanding obligations guaranteed by such fund.

C. If, at any time within five years of any transfer of assets from the local improvement guaranty fund to the general fund reserve, the net cash of the local improvement guaranty fund is reduced below the minimum amount specified in subsection B of this section, the City shall, to the extent of the amount transferred, pay valid claims against the local improvement guaranty fund as a general obligation of the City. In addition, the City shall pay all reasonable costs of collection necessarily incurred by the holders of valid claims against the local improvement guaranty fund.

SECTION 2: Should any section, clause or provision of this ordinance be declared by the courts to be invalid or unconstitutional, the same shall not affect the validity of the ordinance as a whole or any part thereof, other than the part of the ordinance declared to be invalid.

SECTION 3: This Ordinance shall take effect and be in force from and after its passage by the City Council and approval by the Mayor, if approved, otherwise, as provided by law and five days after the date of posting for publication.

PASSED BY THE CITY COUNCIL OF THE CITY OF BLAINE, WASHINGTON on this
_____ day of _____, 2006, and approved by the Mayor on the same day.

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ATTEST:

SHERI SANCHEZ, City Clerk

MIKE MYERS, Mayor

APPROVED AS TO FORM:

JON SITKIN, City Attorney

RCW 35.54.095**Transfer of assets to general fund -- When authorized -- Payment of claims as general obligation, when.**

(1) Any city or town maintaining a local improvement guaranty fund under this chapter, upon certification by the city or town treasurer that the local improvement guaranty fund has sufficient funds currently on hand to meet all valid outstanding obligations of the fund and all other obligations of the fund reasonably expected to be incurred in the near future, may by ordinance transfer assets from such fund to its general fund. The net cash of the local improvement guaranty fund may be reduced by such transfer to an amount not less than ten percent of the net outstanding obligations guaranteed by such fund.

(2) If, at any time within five years of any transfer of assets from the local improvement guaranty fund to the general fund of a city or town, the net cash of the local improvement guaranty fund is reduced below the minimum amount specified in subsection (1) of this section, the city or town shall, to the extent of the amount transferred, pay valid claims against the local improvement guaranty fund as a general obligation of the city or town. In addition, such city or town shall pay all reasonable costs of collection necessarily incurred by the holders of valid claims against the local improvement guaranty fund.

[1979 c 55 § 1.]