

**RECORD OF
2017 CITY INTERNAL LOAN
(PHONE REPLACEMENT PROJECT)**

December 6, 2017

This Record of Interfund Loan is executed by the City of Saint Paul's Director, Office of Financial Services ("OFS"), and the Director, Office of Technology and Communications ("OTC") to memorialize an Internal Loan for the City's Phone Replacement Project (the "Project") and its repayment.

WHEREAS, the City wishes to assist OTC with funds of up to \$1,132,690, to complete the financing of the Project which was previously approved in the 2016 Operating Budget, with \$1,081,581 anticipated to be drawn in 2017; and

WHEREAS, an internal loan will complete the financing for the Project as detailed in RES PH 17-XXX approved on December 6, 2017 after a public hearing. The advance, until repaid, will bear interest at the City treasury portfolio investment rate. This advance from Fund 700 (the "City Internal Loan Fund") will be secured and repaid by departmental service charges for phone hardware; and

WHEREAS, the advance, until repaid, will bear interest at the monthly City treasury portfolio investment rate (the "Pool Rate"). The Pool Rate is variable and reset monthly by the City Treasurer; and

NOW, THEREFORE, The OFS Director and OTC Director memorialize the Internal Loan for the Project as follows:

1. Purpose. The purpose of this document is to memorialize the Internal Loan for the Project from Fund 700 and to serve as guidance in coordinating actions of the City and its Office of Financial Services and OTC with respect to such advances and required encumbrances, and repayments.
2. Authority. This document was authorized by, and carries out, resolution RES PH 17-XXX adopted by the City Council on December 6, 2017.
3. Interest. Interest will accrue on the advance at the City treasury portfolio investment rate ("Pool Rate"). Pool Rate is variable and reset monthly by City Treasurer.
4. Advances. Fund 700 will advance up to \$1,132,690 to pay for costs associated with the Project as approved by the Director of the Office of Financial Services after approval by the City Council. Each time there is an advance from the Internal Loan, the OTC Accountant will record the amount of the advance and the amount of the outstanding balance of the Internal Loan and send to the City's Chief Accountant and OFS Treasury. Advances shall not be more often than monthly.
5. Repayment. OTC will reimburse this advance from Fund 700, including accrued interest, from departmental service charges for phone hardware;

OFS Treasury or the City’s Chief Accountant will provide the prior monthly Pool Rates to the OTC Accountant for the annual repayment amount due. The Loan is repayable at Par plus any interest due.

6. Term. Internal Loan matures five years after the initial advance

Signed this ____ day of _____, 2017.

Todd Hurley
Director, Office of Financial Services

Tarek Tomes
Director, Technology and Communications

Approved to Form:

Assistant City Attorney

Exhibit A – Illustrative Example of Repayment Schedule

Exhibit B – 2017 City Resolution approving the Internal Loan for the Project RES PH 17-XXX