

**RECORD OF
2019 CITY INTERNAL LOAN
(CHANGSHA CHINA FRIENDSHIP GARDEN PROJECT)
May XX, 2019**

This Record of Interfund Loan is executed by the City of Saint Paul's Interim Director, Office of Financial Services (“OFS”), and the Director, Department of Parks and Recreation (“Parks and Recreation”) to memorialize an Internal Loan for the St. Paul – Changsha China Friendship Garden project (the “Project”) and its repayment.

WHEREAS, the City wishes to assist Parks and Recreation with funds of up to \$250,000.00, to complete the financing of the Project with \$240,922.09 anticipated to be drawn in 2019; and

WHEREAS, an internal loan will complete the financing for the Project as detailed in RES PH 19-XXX approved on May X, 2019 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 Parks and Recreation 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 Parks and Recreation with respect to such advances and required encumbrances, and repayments.
2. Authority. This document was authorized by, and carries out, resolution RES PH 19-XXX adopted by the City Council on May X, 201X.
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 \$250,000.00 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 Parks and Recreation 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. Parks and Recreation will reimburse this advance from Fund 700, including accrued interest, from future contributions;

OFS Treasury or the City's Chief Accountant will provide the prior monthly Pool Rates to the Parks and Recreation 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 _____, 2019.

John McCarthy
Interim Director, Office of Financial Services

Michael Hahm
Director, Department of Parks and Recreation

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 17-1897
