



STAFF REPORT

Report To: Board of Supervisors **Meeting Date:** November 5, 2020

Staff Contact: Sheri Russell, Chief Financial Officer (srussell@carson.org)

Agenda Title: For Possible Action: Discussion and possible action regarding a proposed Resolution for a temporary interfund loan in the amount of \$1,392,400.80 from the General Fund to the Grant Fund. (Sheri Russell, srussell@carson.org)

Staff Summary: The Grant Fund incurred a temporary cash shortage on June 30, 2020. The interfund loan would enable the City to cover the temporary cash shortage.

Agenda Action: Resolution **Time Requested:** 5 minutes

Proposed Motion

I move to adopt Resolution No. _____.

Board's Strategic Goal

Efficient Government

Previous Action

N/A

Background/Issues & Analysis

The Grant Fund incurred a TEMPORARY cash shortage on June 30, 2020 due to the delay in receipt of the Coronavirus Aid, Relief, and Economic Security (CARES) Act funds. The CARES Act is a federal program which provides federal aid to the City for unanticipated expenses related to the COVID-19 Pandemic incurred between March 1, 2020 and December 30, 2020. The City's total expenses between March 1, 2020 and June 30, 2020, was approximately \$2 million dollars. The Grant Fund did not have excess cash to cover such a large reimbursable amount. The General Fund has over \$10 million in cash on June 30, 2020, and is capable of funding this short-term loan.

Staff typically anticipates needed loans and requests the necessary funds at the last Board of Supervisors meeting in June; however, staff was not informed of the CARES Act award until June 11, 2020, and did not receive guidance for the award until July 11, 2020. Staff confirmed with the Department of Taxation that the approval of a retroactive loan is acceptable because NRS 354.6118 does not specifically require that the loan be approved before June 30th, the end of the Fiscal Year. The City received the first half of the \$10.2 million dollar award from the State on July 28, 2020, and the second half of the funding on September 28, 2020.

Historically, the City only loans amounts necessary to bring cash to zero on June 30 of the respective year and repays the funds promptly upon receipt of the revenue. The loan is for reporting purposes only, as the City is not allowed to have a negative cash balance on June 30, 2020, according to the Governmental Accounting Standards Board.

Applicable Statute, Code, Policy, Rule or Regulation

NRS 354.6118

Financial Information

Is there a fiscal impact? Yes

If yes, account name/number: Grant Fund Cash account 275-101000 and Due To Other Funds-GF account 275-208010; General Fund Cash account 101-101000 and Due From Other Funds-Grants account 101-130950.

Is it currently budgeted? No

Explanation of Fiscal Impact: Short-term reduction in General Fund cash of \$1,392,400.80, to be repaid in July 2020 from the Grant Fund.

Alternatives

Do not approve loans.

Attachments:

[Resolution for interfund loan to grant fund.docx](#)

Board Action Taken:

Motion: _____

1) _____

2) _____

Aye/Nay

(Vote Recorded By)

RESOLUTION NO. 2021-R _____

RESOLUTION FOR INTERFUND LOAN FROM THE GENERAL FUND TO THE
GRANT FUND

WHEREAS, the Grant Fund incurred a temporary cash shortage on June 30, 2020; and

WHEREAS, the interfund loan will enable the City to cover the temporary cash shortage in this
Fund; and

WHEREAS, the lending of this money will in no way adversely affect the Grant Fund nor the
General Fund, and this loan is made in accordance with NRS 354.6118.

NOW, THEREFORE, be it resolved, the General Fund shall lend the Grant Fund \$1,392,400.80,
for the purpose of covering the temporary cash shortage in the Fund. Further, this loan shall be at a zero
percent interest rate for a period of one (1) month.

ADOPTED this ____ day of _____, 2020.

AYES: Supervisors _____

NAYES: Supervisors _____

ABSENT: Supervisors _____

BRAD BONKOWSKI, Mayor Pro Tempore

ATTEST:

AUBREY ROWLATT, Clerk-Recorder