



**CITY OF MARTINEZ**

**CITY COUNCIL AGENDA  
June 19, 2013**

**TO:** Mayor and City Council  
**FROM:** Phil Vince, City Manager  
**PREPARED BY:** Alan Shear, Assistant City Manager  
**SUBJECT:** General Fund Advances to the Marina Fund  
**DATE:** June 12, 2013

**RECOMMENDATION:**

Approve the resolution to show the balance remaining of the interfund loan between the General Fund and Marina Enterprise Fund as a transfer, thereby eliminating the debt.

**BACKGROUND:**

The City has loaned the Marina a total of \$624,592 as follows:

1. Fiscal Year 2003-04: \$225,000 for dredging and normal operations.
2. Fiscal Year 2005-06: \$ 82,000 to pay the Marina's DBAW loan payment.
3. Fiscal Year 2005-06: \$275,000 to pay for Phase I Entitlements.
4. Fiscal Year 2007-08: \$ 42,592 towards 2008 dredge.
- 5.

At mid-year the City Council approved an adjustment decreasing General Fund revenue by \$49,311 for the Marina Fund's Fiscal Year 2012-13 loan repayment to the General Fund. With this, Fiscal Year 2012-13 will be the second year that the Marina Enterprise Fund doesn't have the cash available to make the debt service payment to the General Fund on the advances. The Biennial budget has no payment budgeted for Fiscal Years 2013-14 and 2014-15.

The interfund loans made to the Marina have been reported as advances whereby the General Fund holds an interfund receivable and the Marina Fund holds an interfund liability, thus the advances never showed on the income statement of either fund. Accounting standards indicate that if the repayment is not expected within a reasonable time, the interfund balances should be reduced and the amount should be reported as a transfer. With a balance of \$473,849 remaining and no payment schedule on the horizon, the City's auditors are requiring the balance to be "written off", which will show as a transfer in 2012-13.

**FISCAL IMPACT:**

The General Fund Nonspendable Fund Balance will be reduced by \$473,849.

**ACTION:**

Approve resolution for the General Fund to liquidate the remaining \$473,849 advances made between 2004 and 2008 owed by the Marina Enterprise Fund and show as a transfer out to the Marina Enterprise fund on the Fiscal Year 2012-13 Financial Statement; and the Marina Enterprise Fund will liquidate the remaining \$473,849 advances made between 2004 and 2008 owed to the General Fund and show as a transfer in from the General Fund on the Fiscal year 2012-13 Financial Statement.

Attachment:  
Resolution

**APPROVED BY:**

  
City Manager

RESOLUTION NO. -13

**AUTHORIZING THE GENERAL FUND TO TRANSFER TO THE MARINA ENTERPRISE FUND \$473,849 TO LIQUIDATE THE REMAINING ADVANCES BETWEEN THE TWO FUNDS FROM 2004 AND 2008**

**WHEREAS**, the Marina Enterprise Fund has outstanding advances to the General Fund of \$473,849; and

**WHEREAS**, the Marina Enterprise Fund does not have the funds to make the annual payments on its loan commitment to the General Fund; and

**WHEREAS**, the General Fund will liquidate the remaining advance owed by the Marina Enterprise Fund and show as a transfers out to the Marine Enterprise Fund on the Fiscal Year 2012-13 Financial Statement; and

**WHEREAS**, the Marina Enterprise Fund will liquidate the remaining advance owed to the General Fund and show as a transfer in from the General Fund on the Fiscal Year 2012-13 Financial Statement.

**NOW, THEREFORE, BE IT RESOLVED** by the City Council hereby authorizes a transfer against the remaining advance of \$473,849 from the General Fund to the Marina.

\* \* \* \* \*

**I HEREBY CERTIFY** that the foregoing is a true and correct copy of a resolution duly adopted by the City Council of the City of Martinez at a Regular Meeting of said Council held on the 19th day of June, 2013, by the following vote:

AYES:

NOES:

ABSENT:

RICHARD G. HERNANDEZ, CITY CLERK  
CITY OF MARTINEZ