

**Date:** May 15, 2019

**To:** Board of Directors

**From:** Doug Kelsey 

**Subject:** **RESOLUTION NO. 19-05-31 OF THE TRI-COUNTY METROPOLITAN TRANSPORTATION DISTRICT OF OREGON (TRIMET) AUTHORIZING THE TRANSFER OF APPROPRIATED FUNDS WITHIN THE FY2018-2019 ADOPTED BUDGET**

**1. Purpose of Item**

The purpose of this item is to request that the TriMet Board of Directors (Board) adopt a Resolution authorizing the transfer of funds in the amount of \$12,000,000 from Contingency to Debt Service to repay TriMet’s \$10 million revolving line of credit (LOC), related interest and associated issuance costs. TriMet is also in the process of executing a \$60 million LOC and the transferred funds will allow payment of issuance costs and fees associated with this transaction in FY2019.

**2. Type of Agenda Item**

- Initial Contract
- Contract Modification
- Other – Transfer of Appropriated Budget

**3. Reason for Board Action**

Oregon Local Budget Law requires a transfer resolution if expenditures in any appropriation category will be higher than shown in the adopted budget. Pursuant to ORS 294.463, this Resolution allows for the transfer of funds totaling \$12,000,000 from Contingency to Debt Service.

**4. Type of Action**

- Resolution
- Ordinance 1<sup>st</sup> Reading
- Ordinance 2<sup>nd</sup> Reading
- Other \_\_\_\_\_

**5. Background**

In order to meet short term operational needs pending TriMet’s receipt of FTA grant funds, it has been necessary for TriMet to secure bank lines of credit. Because the execution and repayment of the lines of credit were unplanned events in fiscal year 2019, it is necessary to transfer additional resources from Contingency to Debt Service to cover the costs related to the bank lines of credit.

As shown below, TriMet executed a revolving bank line of credit agreement in January 2019, and will execute another bank line of credit before the end of fiscal year 2019:

- \$10 million bank line of credit (revolving credit agreement) – issuance costs, repayment and interest. This credit agreement, executed in January 2019, was necessary to address a cash flow shortfall primarily due to the Federal government

shutdown, which held up TriMet's receipt of FTA grants. This line of credit was paid back in February 2019.

- \$60 million bank line of credit – issuance costs and fees on undrawn amount. Subsequent to the \$10 million LOC, TriMet went through a formal RFP process to award a \$60 million bank line of credit to the financial institution with the most favorable terms for TriMet. This bank line of credit will help offset uncertainty in the current Federal government environment which may cause delays in our receipt of grant funds. In addition, we may have intermittent cash flow needs that require us to draw on a line of credit. As of this date, TriMet has not executed this line of credit, therefore no funds have been drawn.

These were unplanned debt transactions in fiscal year 2019. Therefore, a transfer from Contingency to Debt Service is needed to prevent a budget violation.

**6. Financial/Budget Impact**

This transfer is a requirement of Oregon Local Budget Law.

**7. Impact if Not Approved**

If the Board chooses not to approve this resolution, the District will be in violation of Oregon Local Budget Law for FY2018-2019.

**RESOLUTION NO. 19-05-31**

**RESOLUTION NO. 19-05-31 OF THE TRI-COUNTY METROPOLITAN  
TRANSPORTATION DISTRICT OF OREGON (TRIMET) AUTHORIZING THE  
TRANSFER OF APPROPRIATED FUNDS WITHIN THE FY2018-2019  
ADOPTED BUDGET**

WHEREAS, on May 23, 2018, the TriMet budget for FY2018-2019 was adopted and funds were appropriated by the Board of Directors; and

WHEREAS, this Resolution is required pursuant to ORS 294.463; and

**NOW, THEREFORE, BE IT RESOLVED:**

1. That the FY2018-2019 Adopted Budget appropriations be revised as follows:

<b>Operating Program</b>	<b>Existing Appropriation</b>	<b>Transfer In (Out)</b>	<b>Revised Appropriation</b>
Debt Service	\$148,093,957	\$12,000,000	\$160,093,957
Contingency	\$ 19,154,408	(\$12,000,000)	\$ 7,154,408
<b>Total Appropriation</b>	<b>\$167,248,365</b>		<b>\$167,248,365</b>

Dated: May 15, 2019

\_\_\_\_\_  
Presiding Officer

Attest:

\_\_\_\_\_  
Recording Secretary

Approved as to Legal Sufficiency:

  
\_\_\_\_\_  
Legal Department

