

## Management Committee

Meeting date: February 24, 2016

For the Metropolitan Council meeting of March 9, 2016

**Subject:** Authorization for Internal Loans for Environmental Services' Capital Funds

**District(s), Member(s):** All

**Policy/Legal Reference:** Policy #3, Finance and Asset Management

**Treasury Staff Prepared/Presented:** Rich Koop, Senior Manager (602-1629), Jim Chang, Financial Analyst (602-1366)

**Division/Department:** Finance

### Proposed Action

That the Metropolitan Council authorize internal loans to cover the cash flow needs of Environmental Services' capital funds.

### Background

In accordance with the Council's investment policy #3, "Finance and Asset Management", short-term loans may be made across units. Any loan for more than three months or \$10 million must be approved by the Council. Loan recipients will pay interest charges to the pool.

### Rationale

The 2015 Wastewater new-money bond proceeds are experiencing faster expenditures than originally forecasted by Treasury. The internal loan should cover shortfalls until proceeds are received from the 2016 new-money bond issue for Wastewater purposes.

### Funding

This proposed action does not authorize capital spending which is done through the adoption of the capital budget but does provide temporary loans to cover the cash flow needs of approved projects. Negative balances in these funds are financed by the associated Council investment pool.

### Known Support / Opposition

None