

VASHON PARK DISTRICT

KING COUNTY, WASHINGTON

RESOLUTION NO. R1-16-25

A RESOLUTION authorizing the issuance of a taxable not to exceed \$200,000 par value tax anticipation note (revolving line of credit) for the purpose of paying Vashon Park District expenses pending the receipt of a portion of the proceeds of its 2016 and 2017 regular property tax levy; and approving the sale and providing for the delivery of the note to Banner Bank.

WHEREAS, after due consideration, the Board of Commissioners (the "Board") of the Vashon Park District, King County, Washington (the "District") has determined that it is in the best interest of the District that the District borrow money and issue a short-term obligation in accordance with the provisions of Chapter 39.50 RCW and RCW 39.46.050 in anticipation of the receipt of a portion of the regular property taxes levied for collection in 2016 and 2017, for the purpose of providing the funds with which to pay for operating costs and for other purposes and functions of the District approved by statute; and

WHEREAS, Banner Bank has offered to extend a revolving line of credit to the District evidenced by a tax anticipation note under the terms and conditions set forth herein; NOW THEREFORE,

BE IT RESOLVED BY THE BOARD OF PARK COMMISSIONERS OF VASHON PARK DISTRICT, KING COUNTY, WASHINGTON, as follows:

Section 1. Authorization of Note. The Board finds that in order to meet the cash flow needs of the District, to pay necessary expenses as they are incurred and to ensure adequate availability of funds taking into account the tax collection cycle, it is in the best interest of the District to contract short-term debt pursuant to Chapter 39.50 RCW to pay those expenses, such debt to be paid from the taxes collected by or for the District and budgeted by the District for expenditure prior to July 31, 2017.

Section 2. Description of Note. Pending the collection of a portion of the regular property taxes in 2016 and in 2017, the District may borrow money from time to time pursuant to a revolving line of credit extended by Banner Bank (the "Bank"), under the terms of its purchase offer (the "Offer"), and this resolution. The District shall issue its Tax Anticipation Note, 2016 (Taxable) (Revolving Line of Credit) (the "Note"), in a principal amount not to exceed \$200,000 outstanding at any one time. The Note shall be numbered R-1; shall be dated as of the date of its issuance; shall mature on July 31, 2017 (the "Maturity Date"); and shall be in fully registered form in the manner and with any additional designation as the Office of the Treasury Manager, Finance and Business Operations Division, Department of Executive Services of King County, Washington, *ex officio*

Treasurer of the District (the "Treasurer"), who is hereby appointed as Note Registrar, deems necessary for the purpose of identification.

The District may make incremental draws upon the Note (the "Loan Draws") in any amount and on any business day during the term of the Note for the purpose of providing the funds with which to pay the cost of paying all or a part of District expenses for the payment of which no District funds other than proceeds of the Loan Draws are available. No Loan Draw may exceed the total amount of the costs to be paid from such draw, and the proceeds of each Loan Draw shall be deposited into the District's General Fund or Maintenance Fund (as it may be designated) and used immediately to pay those costs. Loan Draws shall be recorded on the Loan Draw Record attached to the Note, or may be recorded in such manner as the District and the Bank may agree upon. Loan Draws are not subject to approval by the Bank, but shall be limited to an aggregate principal amount of \$200,000 outstanding at any one time. Principal repaid may be reborrowed.

Draws on this Note shall bear interest at 4.25% (the Interest Rate). Interest on each Loan Draw shall accrue from the date of that Loan Draw and shall be computed on the principal amount of the Loan Draw outstanding on the basis of 360 days and the actual number of days elapsed from the date the principal amount of the Loan Draw is outstanding. The outstanding principal balance of this Note and accrued interest thereon, is payable semiannually on December 31, 2016 and on the Maturity Date, if not sooner paid. The period between the time of issuance of the Note and December 31, 2016 and the period between December 31, 2016 and the Maturity Date shall each be a "Collection Period." Interest on any principal amount of this Note which is paid or prepaid shall cease to accrue on the date such payment or prepayment is received by the Bank.

The District covenants that it will cause the Note to experience a resting period with a zero balance for at least 30 consecutive days during the Collection Period between December 31, 2016 through the Maturity Date.

The Board finds that the fixing of the interest rate index set forth above is in the best interest of the District.

Section 3. Designation of Officer to Make Loan Draws. The Board has determined it to be in the best interest of the District that the Executive Director of the District be and hereby is authorized to make Loan Draws against the Note and to make such determinations as may be necessary with regard to the amount and time required to be specified in connection with each Loan Draw.

Section 4. Prepayment and Redemption of Note. The District reserves the right and option to prepay and redeem on any business day at any time prior to its stated maturity date any or all of the principal amount of the Note outstanding at par plus accrued interest to the date of redemption and notice to the Bank of any intended prepayment or redemption of the Note shall not be required. The District may prepay at any time without fee and interest on the Note or the portion thereof so prepaid shall cease to accrue on the date of such prepayment.

Section 5. Failure to Redeem Note. If this Note is not redeemed when properly presented at its Maturity Date, the District shall be obligated to pay interest on this Note at the same rate provided from and after its maturity until this Note, both principal and interest, is paid in full or until sufficient money for its payment in full is on deposit in the note redemption fund and the Note has been called for payment by giving notice of that call to the registered owner.

Section 6. Form and Execution. The Note shall be printed in a form consistent with the provisions of this resolution, and shall be signed by the Chair of the Board (or the Vice Chair of the Board in case of the Chair's absence or disability) and the Secretary of the Board, whose signatures may be manual or facsimile.

The Note shall bear thereon a Certificate of Authentication in substantially the following form, manually signed by the Note Registrar, and only if so executed shall the Note be valid or obligatory for any purpose or entitled to the benefits of this resolution:

This Note is the fully registered Vashon Park District, King County, Washington, Tax Anticipation Note, 2016 (Taxable) (Revolving Line of Credit), described in the Note Resolution.

By

Office of the Treasury Manager, Finance and
Business Operations Division, Department of
Executive Services of King County, Washington,
as Note Registrar

If any officer whose signature appears on the Note ceases to be an officer of the District authorized to sign notes before the Note bearing his or her signature is authenticated or delivered by the Note Registrar or issued by the District, the Note nevertheless may be authenticated, delivered and issued and, when authenticated, issued and delivered, shall be as binding on the District as though that person had continued to be an officer of the District authorized to sign notes. The Note also may be signed on behalf of the District by any person who, on the actual date of signing of the Note, is an officer of the District authorized to sign notes, although he or she did not hold the required office on the date of issuance of the Note.

The authorized signing of a Certificate of Authentication shall be conclusive evidence that the Note so authenticated has been duly executed, authenticated and delivered and is entitled to the benefits of this resolution.

Section 7. Registration and Transfer of Note; Note Registrar. The Note shall be issued to the Bank only in registered form as to both principal and interest and shall be recorded on books or records maintained by the Note Registrar (the "Note Register"). The Note Register shall contain the name and mailing address of the owner of the Note. The Note may not be assigned or transferred by the Bank, except that the Bank may assign or transfer the Note to any successor to the business and assets of the Bank. When the Note has been paid in full, both principal and interest, the Note shall be surrendered by the Bank to the Note Registrar, who shall cancel the Note.

The Note Registrar shall keep, or cause to be kept, at its office, sufficient books for the registration of the Note. The Note Registrar shall serve as the District's authenticating trustee,

registrar and paying agent for the Note and shall comply fully with all applicable federal and state laws and regulations respecting the carrying out of those duties. The Note Registrar is authorized, on behalf of the District, to authenticate and deliver the Note in accordance with the provisions of the Note and this resolution, to serve as the District's paying agent for the Note and to carry out all of the Note Registrar's powers and duties under this resolution.

The Note Registrar shall be responsible for its representations contained in the Note Registrar's Certificate of Authentication on the Note. The Note shall state on its face that the principal of and interest on the Note shall be paid only to the owner thereof registered as such on the Note Register as of the record date set forth therein and to no other person or entity.

Section 8. Note Debt Service Fund; Pledge of Taxes. The Treasurer may create within the District's General Fund a subfund, account or other method of segregating funds within the General Fund (the "Note Debt Service Fund") as necessary to track amounts set aside for the payment of principal of and interest on the Note. The District irrevocably pledges to set aside and deposit in the Note Debt Service Fund amounts sufficient to repay from the amounts so deposited, on the Maturity Date, the outstanding principal amount of all Loan Draws, plus any unpaid accrued interest thereon.

The District has budgeted and will levy taxes for collection in 2016 and will levy taxes for collection in 2017 in amounts sufficient together with other money legally available and to be used therefor, to pay when due the principal of and interest on the Note. For as long as any Loan Draw remains outstanding, the District irrevocably pledges to include in its budget and levy taxes annually within the constitutional and statutory tax limitations provided by law without a vote of the electors of the District on all of the taxable property within the District in an amount sufficient, together with other money legally available and to be used therefor, to pay when due the principal of and interest on the Note, and the full faith, credit and resources of the District are pledged irrevocably for the annual levy and collection of those taxes and the prompt payment of that principal and interest.

Section 9. Approval of Purchase Offer. Banner Bank has submitted its Offer to purchase the Note as described in Section 2 under the terms and conditions provided in the Offer and this resolution, which written Offer is on file with the Secretary of the District and incorporated herein by this reference. The Board hereby accepts that offer.

Upon delivery of the Note, the District shall pay to the Bank: (a) a loan fee in the amount of \$600.

The Note will be printed at District expense and will be delivered to the Bank in accordance with the Offer, with the approving legal opinion of Foster Pepper PLLC, municipal bond counsel of Seattle, Washington, regarding the Note.

The Executive Director of the Vashon Park District and other proper District officials are authorized and directed to do everything necessary for the prompt delivery of the Note to the purchaser and for the proper application and use of the Loan Draw proceeds received thereof.

Section 10. Reporting Requirements. The District hereby covenants and agrees for as long as the Note remains outstanding, it will provide annually to the Bank copies of its unaudited annual financial statements, with the audited report as soon as it is available.

ADOPTED by the Board of Park Commissioners of Vashon Park District, King County, Washington, at an open public meeting thereof, this 12th day of July, 2016, the following Commissioners being present and voting in favor of this action:

Chair and Commissioner

Commissioner

Commissioner

Commissioner

Commissioner

ATTEST:

Secretary

APPROVED AS TO FORM:

Bond Counsel

CERTIFICATION

I, the undersigned, Executive Director of the Vashon Park District, King County, Washington (the "District"), hereby certify as follows:

1. The attached copy of Resolution No. R1-16-25 (the "Resolution") is a full, true and correct copy of a resolution duly adopted at a regular meeting of the Board of Park Commissioners (the "Board") held at the regular meeting place thereof on July 12, 2016, as that resolution appears on the minute book of the District; and the Resolution is now in full force and effect;

2. A quorum of the members of the Board was present throughout the meeting and a majority of those members present voted in the proper manner for the adoption of the Resolution.

IN WITNESS WHEREOF, I have hereunto set my hand this ____ day of July, 2016.

VASHON PARK DISTRICT, KING COUNTY,
WASHINGTON

Executive Director

2016 Cash flow projected	Actual Jan	Actual Feb	Actual Mar	Actual Apr	Actual May	Actual Jun	Actual Jul	Actual Aug	Actual Sep	Actual Oct	Actual Nov	Actual Dec	Full Year
Beginning Cash	93,201	47,482	53,225	61,139	424,286	101,129	202,406	118,029	118,847	58,015	167,373	194,922	
Add Levy receipts	2,999	28,787	65,883	471,217	88,455	23,672	11,411	11,615	34,841	383,274	96,898	7,944	1,226,996
Add Revenue from ops													
Admin	60	41	32	83	141	-	22	22	66	3,728	184	15	4,394
Parks & Facilities Maintenance	344	1,831	3,315	2,189	2,628	4,977	3,000	2,900	2,600	1,900	4,200	1,800	31,684
Commons	3,063	1,417	2,002	474	1,569	2,281	931	331	1,272	1,182	5,226	1,216	20,964
Programs, Classes & Camps	-	-	-	-	-	-	-	-	-	-	-	-	-
Pool - Operating	-	-	-	-	-	-	-	-	-	-	-	-	-
Point Robinson	7,545	5,312	11,947	8,615	7,005	11,594	10,900	5,900	7,900	5,900	4,400	4,400	91,418
Fern Cove	3,440	3,314	2,255	1,384	1,332	7,473	2,471	4,406	1,224	2,917	1,000	1,260	32,486
Pool - CIP	-	-	-	-	-	-	-	-	-	-	-	-	-
Donations/Proceeds for RFAs	98	-	484	149	14	167	167	167	167	167	167	167	1,747
Total Revenue from Ops	14,560	11,915	20,035	13,368	25,561	38,867	33,186	25,126	16,829	15,794	15,177	8,858	239,266
Grand Total Levy and Ops	17,549	40,702	85,918	494,995	114,016	62,539	44,397	36,741	51,670	389,068	112,476	16,882	1,468,263
Less Operations:													
Admin	20,168	37,006	20,889	19,514	20,968	18,795	18,823	54,061	41,016	20,502	30,501	19,000	321,043
Parks & Facilities Maintenance	30,744	30,289	37,605	36,828	34,134	44,008	59,338	52,480	38,985	52,734	37,566	42,321	497,051
Commons	1,957	2,546	3,875	51,582	1,597	996	1,929	1,993	2,470	51,607	2,369	2,405	125,326
Programs, Classes & Camps	-	-	-	-	-	-	2,650	4,400	1,450	-	-	-	8,500
Pool - Operating	2,612	3,596	4,899	5,076	8,471	15,844	20,888	36,914	12,122	3,581	2,981	3,281	120,265
Point Robinson	7,987	7,717	9,830	6,968	6,291	7,206	7,206	8,818	7,119	7,135	7,035	6,935	91,311
Fern Cove	3,073	3,366	5,948	3,489	3,249	2,299	3,170	3,986	3,330	3,365	3,269	3,329	41,894
Pool - CIP	-	-	878	-	-	18,824	998	5,000	-	-	-	-	32,297
RFAs/Other	602	2,778	233	-	-	10,000	10,910	-	-	-	-	-	24,523
Total Ops	67,143	87,318	84,157	123,457	85,510	94,839	124,804	178,561	106,493	138,925	83,742	77,271	1,262,210
Net Operations:													
Levy	2,999	28,787	65,883	471,217	88,455	23,672	11,411	11,615	34,841	383,274	96,898	7,944	1,226,996
Admin	(20,108)	(36,965)	(20,857)	(19,431)	(20,827)	(18,795)	(18,602)	(54,039)	(40,949)	(16,774)	(30,317)	(18,985)	(316,649)
Parks & Facilities Maintenance	(30,400)	(28,458)	(34,290)	(34,639)	(31,506)	(39,031)	(56,338)	(49,580)	(36,385)	(50,834)	(33,386)	(40,521)	(485,387)
Commons	1,106	(1,129)	(1,873)	(5,108)	(28)	1,285	(988)	(1,662)	(1,198)	(50,425)	2,857	(1,189)	(104,362)
Programs, Classes & Camps	-	-	-	-	-	-	(2,650)	(4,400)	(1,450)	-	-	-	(8,500)
Pool - Operating	(2,612)	(3,596)	(4,899)	(4,612)	(4,401)	(3,302)	(5,193)	(25,514)	(8,522)	(3,581)	(2,981)	(3,281)	(63,692)
Point Robinson	(442)	(2,405)	(2,117)	(1,647)	(1,262)	(5,303)	(3,694)	(2,918)	(781)	(1,235)	(2,635)	(2,535)	107
Fern Cove	367	(72)	(3,693)	(2,095)	(1,917)	5,174	(998)	470	(2,106)	(448)	(2,269)	(2,069)	(9,408)
Pool - CIP	-	-	(878)	-	-	(18,824)	(998)	(5,000)	-	-	-	-	(32,297)
RFAs/Other	(504)	(2,778)	251	149	14	(6,597)	(9,833)	(10,743)	167	167	167	167	(22,776)
Net P & L from levy and ops	(49,894)	(48,616)	1,781	381,128	18,506	(32,291)	(80,207)	(141,820)	(54,823)	280,143	29,334	(89,469)	204,051
Bond principal	-	-	-	-	-	16,629	-	-	-	-	-	-	16,944
Bond Interest	-	-	-	-	-	1,632	-	-	-	-	-	-	2,960
Lease/misc int pymts (TAN + Musco)	785	785	785	-	785	3,396	4,170	7,362	785	785	785	785	21,208
TAM/LOC proceeds	-	-	-	-	-	-	-	-	-	-	-	-	200,000
TAM/LOC Payoff	-	-	-	-	-	-	-	-	-	-	-	-	(350,000)
Additional payables (paid)/deferred	4,660	3,144	6,938	52,019	(190,878)	150,000	-	-	-	(150,000)	-	-	25,883
League/Partner/Misc/Grants	-	-	-	-	-	-	-	-	-	-	-	-	-
Ending cash balance	47,482	53,225	61,139	424,286	101,129	202,406	118,029	118,847	58,015	167,373	194,922	115,406	
Reserve	150,000	200,000	200,000	150,000	-	-	-	150,000	150,000	-	-	-	-
Projected TAN Balance	-	-	-	-	-	-	-	-	-	-	-	-	-
Formula checks:													
Net P & L for month	(50,379)	(47,401)	976	361,128	17,721	(52,316)	(84,377)	(149,182)	(55,608)	259,358	27,549	(78,198)	(78,198)
Per QB (Ordinary income only - no leagues)	(34,244)	(47,402)	977	358,019	33,228	-	-	-	-	-	-	-	-
diff	(16,135)	1	(1)	3,109	(15,507)	(52,316)	(84,377)	(149,182)	(55,608)	259,358	27,549	(78,198)	(78,198)

January Note: Truist lesse to balance sheet

White Board
 1,226,996
 (321,900)
 (491,152)
 (110,346)
 (8,500)
 (59,700)
 (7,544)
 (10,361)
 (50,000)
 (10,130)
 33,573
 2,960
 20,497
 Difference
 0
 5,251
 25,785
 5,984
 -
 (3,982)
 7,851
 953
 17,703
 (12,646)

2017 Cash flow projected	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Full Year
Beginning Cash	100,000	191,787	155,244	19,507	222,668	240,847	203,076	131,967	97,097	32,628	317,809	356,046	
Add: Levy receipts	10,000	30,000	75,000	475,000	110,505	13,672	5,000	6,565	34,841	434,575	96,898	7,944	1,300,000
Add: Revenue from ops													
Admin	19	57	143	606	210	26	10	12	66	3,326	184	15	5,173
Parks & Facilities Maintenance	2,000	1,500	1,500	1,600	5,200	4,350	3,000	2,900	2,600	1,900	4,200	1,800	32,550
Commons	2,325	2,410	1,105	340	2,217	2,130	931	331	1,272	1,182	7,026	1,216	22,485
Programs, Classes & Camps													
Pool				9,500	8,398	19,600	16,730	7,554	1,467				63,249
Point Robinson	4,400	4,400	5,900	5,900	4,900	15,900	15,900	7,900	7,900	6,900	4,400	4,400	90,800
Fern Cove	1,345	1,261	4,339	3,055	3,331	2,391	4,471	6,406	1,224	2,917	1,000	1,260	33,000
Donations/Proceeds for RFAs													
Total Revenue from Ops	10,089	9,628	12,987	21,001	24,256	44,397	41,042	25,103	14,529	16,725	18,810	8,691	247,257
Grand Total Levy and Ops	20,989	39,628	87,987	496,001	134,780	95,069	46,042	31,668	49,370	451,300	115,709	16,635	1,547,257
Less Operations:													
Admin	23,480	22,580	30,766	50,332	24,031	24,532	24,031	30,967	44,926	26,131	23,881	36,130	361,787
Parks & Facilities Maintenance	38,537	37,236	57,639	69,616	50,174	49,974	39,774	52,376	42,655	47,836	37,236	43,436	566,490
Commons	1,977	1,977	2,859	1,977	1,977	51,977	1,977	2,859	1,977	1,977	1,977	51,977	125,485
Programs, Classes & Camps													9,000
Pool	3,016	3,116	4,286	7,316	6,216	16,081	25,118	36,996	12,157	3,616	3,016	3,316	124,249
Point Robinson	7,116	7,116	8,944	8,955	29,034	8,531	18,001	9,893	7,714	7,317	7,217	7,117	126,855
Fern Cove	3,391	3,360	4,269	3,860	4,365	3,625	3,565	4,514	3,625	3,456	3,360	3,420	44,810
RFAs/Other			114,275			(84,375)							29,900
Total Ops	77,517	75,385	222,938	142,056	115,796	72,294	116,385	140,754	113,054	90,333	76,687	145,396	1,389,577
Net Operations:													
Levy	10,000	30,000	75,000	475,000	110,505	13,672	5,000	6,565	34,841	434,575	96,898	7,944	1,300,000
Admin	(23,461)	(22,523)	(30,624)	(49,726)	(23,821)	(24,506)	(24,021)	(30,955)	(44,860)	(22,305)	(23,697)	(36,115)	(356,613)
Parks & Facilities Maintenance	(36,537)	(35,736)	(56,139)	(68,016)	(44,974)	(45,624)	(36,774)	(49,476)	(40,055)	(45,936)	(33,036)	(41,636)	(533,940)
Commons	348	433	(1,754)	(1,637)	240	(49,847)	(1,046)	(2,528)	(705)	(795)	5,049	(50,761)	(103,000)
Programs, Classes & Camps													(9,000)
Pool	(3,016)	(3,116)	(4,286)	(2,184)	(2,182)	(3,519)	(8,388)	(29,442)	(10,690)	(3,616)	(3,016)	(3,316)	(61,000)
Point Robinson	(2,716)	(2,716)	(2,944)	(3,055)	(24,134)	(7,369)	(2,101)	(1,993)	166	(417)	(817)	(2,717)	(36,055)
Fern Cove	(2,046)	(2,059)	70	(805)	(1,034)	(1,234)	906	1,892	(2,401)	(539)	(2,360)	(2,160)	(11,810)
Pool CIP													(29,900)
RFAs/Other													
Net P & L from levy and ops	(67,429)	(35,757)	(134,982)	353,945	18,984	(14,225)	(70,334)	(109,085)	(83,644)	350,244	30,021	(178,761)	159,681
Bond principal						17,264						17,590	34,854
Bond Interest						997						671	1,668
Lease/misc int pymts (TAN + Musco)		785	785	785	785	5,285	785	785	785	785	785	785	785
TAN/LOC proceeds													
TAN/LOC Payoff													
Additional payables (paid)/deferred													
League/Partner/Misc													
Ending cash balance													
Reserve													

2017
White Board
1,300,000
(356,613)
(533,940)
(103,000)
(9,000)
(61,000)
(36,055)
(11,810)
(29,900)

- Assumptions:
- 1) Beginning cash will be @ \$100,000
 - 2) Levy monies up \$73,000 from 2016
 - 3) 1.8% COL Pay increases for staff + adjustments to industry standards
 - 4) Admin - front desk clerk: \$12,000 for Commissioner Election
 - 5) Maintenance - revenue up 3% due to fee increases; 5 PTE, new mower - \$15,000; new pool cutter - \$5,000
 - 6) Commons - revenue up 5% due to fee increases; wages relative to 2016 + COL
 - 7) Programs - increase \$500
 - 8) Pool - revenue up 5%; must address staff wages - no increases in year; hunting recruitment
 - 9) Pt Robinson - Revenue up 5%; add summer maintenance assistant; \$20k road regrade, flooring - \$10,000
 - 10) Fern Cove - add summer maintenance assistant
 - 11) Other - 0
 - 12) Debt - Only the lodging bond; VES Restroom payments; and TAN (Musco PIF)