

**CITY OF LOGAN
RESOLUTION NO. 14-38**

**A RESOLUTION APPROVING AN INTERFUND LOAN
TO THE WATER & SEWER FUND**

WHEREAS, the Water and Sewer Fund is involved in several significant capital improvement projects including a sewer lift station project, pressure reducing valve project, and water and sewer line replacements; and

WHEREAS, the resources required for the completion of these projects exceed projected reserves; and

WHEREAS, the Water & Sewer Fund can either bond for these projects or borrow internally;

NOW THEREFORE BE IT RESOLVED BY THE LOGAN MUNICIPAL COUNCIL, STATE OF UTAH to authorize an interfund loan to the Water and Sewer Fund. This loan will be for the amount of \$5,000,000 (2,500,000 will be loaned from the General Fund and \$2,500,000 will be loaned from the Electric Fund) for a term of 10 years at an annual interest rate of 2.54 percent. Interest will be calculated annually based on the outstanding balance for that year. The first principal and interest payment will be due June 30, 2015 and will be paid each year thereafter. The loan may be repaid in full or in part at any time without penalty.

This loan shall be effective June 30, 2014.

See Attachment A for the repayment schedule.

PASSED BY THE LOGAN MUNICIPAL COUNCIL THIS _____ DAY OF JUNE, 2014.

AYES:

NAYS:

ABSENT:

Karl B. Ward, Chair

ATTEST:

Teresa Harris, City Recorder

ATTACHMENT A

Water & Sewer

2.54% Annual Interest Rate
10 Length of Loan (years)
\$ 5,000,000 Loan Amount

FY	Beg Bal	Payment Amt	Principle	Int	End Bal
2015	\$ 5,000,000	\$572,475.27	\$ 445,475	\$ 127,000	\$ 4,554,525
2016	\$ 4,554,525	\$572,475.27	\$ 456,790	\$ 115,685	\$ 4,097,734
2017	\$ 4,097,734	\$572,475.27	\$ 468,393	\$ 104,082	\$ 3,629,342
2018	\$ 3,629,342	\$572,475.27	\$ 480,290	\$ 92,185	\$ 3,149,052
2019	\$ 3,149,052	\$572,475.27	\$ 492,489	\$ 79,986	\$ 2,656,562
2020	\$ 2,656,562	\$572,475.27	\$ 504,999	\$ 67,477	\$ 2,151,564
2021	\$ 2,151,564	\$572,475.27	\$ 517,826	\$ 54,650	\$ 1,633,738
2022	\$ 1,633,738	\$572,475.27	\$ 530,978	\$ 41,497	\$ 1,102,760
2023	\$ 1,102,760	\$572,475.27	\$ 544,465	\$ 28,010	\$ 558,295
2024	\$ 558,295	\$572,475.27	\$ 558,295	\$ 14,181	\$ 0