

**RESOLUTION NUMBER 2026-22**

**A RESOLUTION BY THE CITY COMMISSION OF THE CITY OF EUSTIS, FLORIDA, APPROVING A PROMISSORY NOTE TO DOCUMENT INTERFUND FINANCING FROM THE CITY'S GENERAL FUND TO THE CITY'S STORMWATER UTILITY FUND, AUTHORIZING EXECUTION OF SAID NOTE, AND PROVIDING FOR AN EFFECTIVE DATE.**

**WHEREAS**, the City of Eustis adopted the final FY 2025/26 budget on September 18, 2025; and

**WHEREAS**, on October 26, 2025, the City of Eustis experienced a significant rainfall event that has been deemed a 1,000 Year Flood; and

**WHEREAS**, as a result of this rainfall and subsequent flooding, significant damage has occurred to City infrastructure to include the City's stormwater system; and

**WHEREAS**, the Governor of the State of Florida, the Lake County Board of County Commissioners and the City of Eustis have issued States of Emergency for this event pursuant to Chapter 252, Florida Statutes; and

**WHEREAS**, on December 31, 2025, the City received an invoice in the amount of \$174,810 for repairs to the culvert crossing at 509 Pine Lane; and

**WHEREAS**, the City's Stormwater Utility Fund does not have adequate funds available to pay for the repairs; and

**WHEREAS**, it is necessary for the City's General Fund to loan the City's Stormwater Fund necessary funding to pay for the culvert repair; and

**WHEREAS**, the Promissory Note (attached hereto as Exhibit A) documents the terms of such intergovernmental loan, including interest, repayment schedule, and permissible remedies, and affirms that the transaction is consistent with Article VII, Section 10 of the Florida Constitution and Chapter 163, Florida Statutes.

**NOW, THEREFORE, BE IT RESOLVED** by the City Commission of the City of Eustis, Florida, as follows:

**Section 1. Approval of Promissory Note.**

The Promissory Note by and between the City of Eustis General Fund and the City of Eustis Stormwater Fund, in the principal amount of \$174,810, attached hereto as Exhibit A, is hereby approved.

**Section 2. Authorization to Execute.**

The Interim City Manager is authorized to execute the Promissory Note and to take all necessary administrative actions to implement the terms thereof.

**Section 3. Public Purpose**

The City Commission finds and declares that this interfund loan serves a valid public purpose, supports lawful stormwater utility objectives, and is consistent with the City's Stormwater Master Plan.

**Section 4. Effective Date.**

This Resolution shall take effect immediately upon its adoption.

**DONE AND RESOLVED** this 16<sup>th</sup> day of April 2026, in the regular session of the City Commission of the City of Eustis, Lake County, Florida.

**CITY COMMISSION OF THE  
CITY OF EUSTIS, FLORIDA**

\_\_\_\_\_  
Emily A. Lee  
Mayor/Commissioner

**ATTEST:**

\_\_\_\_\_  
Christine Halloran, City Clerk

**CITY OF EUSTIS CERTIFICATION**

**STATE OF FLORIDA  
COUNTY OF LAKE**

The foregoing instrument was acknowledged before me, by means of physical presence, this 16<sup>th</sup> day of April 2026 by Emily A. Lee, Mayor/Commissioner, and Christine Halloran, City Clerk, who are personally known to me.

\_\_\_\_\_  
Notary Public - State of Florida  
My Commission Expires:  
Notary Serial No:

**CITY ATTORNEY'S OFFICE**

This document is approved as to form and legal content for the use and reliance of the City Commission.

\_\_\_\_\_  
City Attorney's Office

\_\_\_\_\_  
Date

**CERTIFICATE OF POSTING**

The foregoing Resolution Number 2026-22 is hereby approved. I certify that I published the same by posting one copy hereof at City Hall, one copy hereof at the Eustis Memorial Library, and one copy hereof at the Eustis Parks and Recreation Office, all within the corporate limits of the City of Eustis, Lake County, Florida.

\_\_\_\_\_  
Christine Halloran, City Clerk

## EXHIBIT A

### PROMISSORY NOTE BETWEEN THE CITY OF EUSTIS GENERAL FUND AND THE CITY OF EUSTIS STORMWATER UTILITY FUND

**Date of Execution: April 16, 2026**

**Principal Amount: \$174,810.00**

**Interest Rate: 2.875% per annum (simple interest)**

**THIS PROMISSORY NOTE** is entered into by and between the City of Eustis General Fund, a governmental fund of the City of Eustis, Florida ("Lender"), and the City of Eustis Stormwater Utility Fund, a Special Revenue Fund of the City of Eustis, ("Borrower"), and sets forth the terms of an intergovernmental loan as authorized by Florida law.

#### RECITALS

**WHEREAS**, on October 26, 2025, the City of Eustis experienced a significant rainfall event that has been deemed a 1,000 Year Flood; and

**WHEREAS**, as a result of this rainfall and subsequent flooding, significant damage occurred to City infrastructure to include the City's stormwater system; and

**WHEREAS**, on December 31, 2025, the City received an invoice in the amount of \$174,810.00 for repairs to a culvert crossing at 509 Pine Lane; and

**WHEREAS**, the City's Stormwater Utility Fund does not have adequate funds to pay for the repairs; and

**WHEREAS**, it is necessary for the City's General Fund to loan the City's Stormwater Fund necessary funding to pay for the culvert repair; and

**WHEREAS**, the Borrower desires internal financing from the Lender and the Lender has agreed to extend such funds in furtherance of a valid public purpose; and

**WHEREAS**, both parties recognize and agree that this Note constitutes a lawful intergovernmental loan consistent with Section 163.370, Florida Statutes, and does not constitute a gift, donation, or lending of credit prohibited by Article VII, Section 10, Florida Constitution.

**NOW, THEREFORE**, in consideration of the mutual covenants and promises set forth herein, the parties agree as follows:

#### 1. LOAN TERMS

- 1.1 Loan Amount and Disbursement. The Lender has disbursed to Borrower the principal amount of One Hundred Seventy-Four Thousand Eight Hundred Ten and 00/100 Dollars (\$174,810.00) on or about March 2, 2026.

- 1.2 Interest Rate. Interest shall accrue on the unpaid principal balance at the rate of 2.875% per annum, calculated on the basis of a 360-day year.
- 1.3 Repayment Schedule. Borrower shall repay the loan in monthly installments of \$1,677.91, commencing on May 2, 2026 and continuing on the 2nd day of each month thereafter. Final payment shall be due no later than May 2, 2036.
- 1.4 Prepayment. Borrower may prepay all or any portion of the outstanding balance without penalty.

## 2. DEFAULT

- 2.1 Events of Default. A default shall occur if: (a) Borrower fails to make any payment within thirty (30) days of the due date; (b) Borrower ceases to exist or is lawfully dissolved; (c) Borrower expends loan funds for purposes inconsistent with the Stormwater Utility Fund.
- 2.2 Remedies. Upon default, the Lender may: (a) Declare the unpaid balance immediately due and payable; (b) Request the City Commission consider restructuring or other remedies in accordance with law.
- 2.3 Non-Waiver. Lender's failure to exercise any remedy shall not constitute a waiver.

## 3. SECURITY AND SOURCE OF PAYMENT

- 3.1 This Promissory Note is a general obligation of the Borrower, payable from legally available stormwater utility revenues or other lawfully appropriated funds.
- 3.2 The Note is not secured by any lien on specific property, nor shall the Lender have recourse against the City of Eustis beyond the General Fund advance herein.

## 4. GENERAL TERMS

- 4.1 Governing Law. This Note shall be governed by the laws of the State of Florida.
- 4.2 Amendments. Any amendment must be in writing and signed by both parties.
- 4.3 No Waiver of Sovereign Immunity. Nothing in this Note shall be construed as a waiver of either party's sovereign immunity under Section 768.28, Florida Statutes.
- 4.4 Public Purpose Affirmation. Both parties affirm this loan is for a public purpose and consistent with the CRA Plan adopted under Section 163.360, Florida Statutes.

**IN WITNESS WHEREOF**, the parties have executed this Promissory Note as of the date first written above.

**BORROWER:**

City of Eustis Stormwater Utility Fund

By: \_\_\_\_\_  
Greg Dobbins, Public Works Director

**LENDER:**

City of Eustis General Fund

By: \_\_\_\_\_  
Rick Gierok, Interim City Manager

**ATTEST:**

\_\_\_\_\_  
Christine Halloran, City Clerk, Witness