

HILDALE CITY RESOLUTION 2025-5-001

**A RESOLUTION OF THE CITY COUNCIL OF HILDALE, UTAH, AUTHORIZING AN INTERFUND LOAN FROM THE SEWER FUND TO THE GENERAL FUND FOR THE PURPOSE OF FUND STABILIZATION**

**WHEREAS**, the City of Hildale, Utah ("City") has identified a need to stabilize the General Fund to ensure the continued provision of essential municipal services; and

**WHEREAS**, the Sewer Fund has sufficient unallocated reserves available to support an interfund loan without adversely affecting its operations or financial stability; and

**WHEREAS**, Utah Code § 10-6-132 allows municipalities to make interfund loans provided the loans are formally documented, bear a reasonable rate of interest, and are repaid under agreed terms; and

**WHEREAS**, the City Council has determined that it is in the best interest of the City to authorize an interfund loan from the Sewer Fund to the General Fund under the terms set forth herein;

**NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF HILDALE, UTAH:**

1. **Authorization of Interfund Loan:** An interfund loan is hereby authorized in the principal amount of \$677,762 from the Sewer Fund to the General Fund.
2. **Purpose:** The proceeds of the loan shall be used by the General Fund for fund stabilization.
3. **Interest Rate:** The loan shall bear interest at a rate equal to the current Public Treasurers' Investment Fund (PTIF) 365-day rate, which is 4.4856%.
4. **Repayment Term:** The General Fund shall repay the loan principal and accrued interest over a term not to exceed ten (10) years from the effective date of this resolution.
5. **Loan Agreement:** The City Treasurer is hereby directed to prepare and execute a written interfund loan agreement that documents the loan amount, purpose, interest rate, and repayment schedule.
6. **Effective Date:** This resolution shall take effect immediately upon adoption.

**PASSED AND ADOPTED by the City Council of the City of Hildale, Utah, this 7<sup>th</sup> day of May 2025.**

By: \_\_\_\_\_  
Donia Jessop, Mayor

ATTEST:

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Maxene Jessop, City Recorder