

TOWN OF JOHNSTOWN, COLORADO

RESOLUTION NO. 2020-24

RESOLUTION AUTHORIZING A LOAN FROM THE TOWN OF JOHNSTOWN GENERAL FUND TO THE TOWN OF JOHNSTOWN SEWER ACTIVITY ENTERPRISE AND THE EXECUTION OF A PROMISSORY NOTE

WHEREAS, the Town of Johnstown, Colorado (the “Town”) is a Colorado home rule municipality, duly organized and existing under the laws of the State of Colorado and the Town’s Home Rule Charter; and

WHEREAS, the Town of Johnstown, Colorado, Sewer Activity Enterprise (the “Sewer Activity Enterprise”), is a duly created enterprise, as that term is defined in Article X, Section 20 of the Colorado Constitution; and

WHEREAS, Town Council is vested with the authority to administer the affairs of the Town and the Sewer Activity Enterprise; and

WHEREAS, the Sewer Activity Enterprise seeks funding to assist in the financing of significant infrastructure improvements in the Town, including the construction and installation of a sewer main line to run generally along State Highway 60, and the expansion of the Low Point Wastewater Treatment Plant; and

WHEREAS, the Town of Johnstown General Fund has available resources to loan the funds to the Sewer Activity Enterprise; and

WHEREAS, based upon information reasonably known and available, the Sewer Activity Enterprise will have lawfully available revenue funds to repay the loan within ten (10) years; and

WHEREAS, to provide the funding, Town Council desires to make a loan from the Town of Johnstown General Fund to the Sewer Activity Enterprise in the amount of Nine Million Five Hundred Thousand Dollars (\$9,500,000.00); and

WHEREAS, the loan to the Sewer Activity Enterprise shall accrue non-compounding interest in the amount of one percent (1%), which is deemed to be a reasonable interest rate; and

WHEREAS, Town Council finds, determines and declares that adoption of this Resolution is in the best interests of the citizens of the Town.

NOW, THEREFORE, BE IT RESOLVED BY THE TOWN COUNCIL OF THE TOWN OF JOHNSTOWN, COLORADO, ACTING AS THE GOVERNING BODY OF THE TOWN OF JOHNSTOWN AND OF THE TOWN OF JOHNSTOWN SEWER ACTIVITY ENTERPRISE, THAT:

Section 1. Loan. Town Council hereby approves a loan from the Town of Johnstown General Fund to the Sewer Activity Enterprise in the amount of Nine Million Five Hundred Thousand Dollars (\$9,500,000.00). The loan shall accrue non-compounding interest in the

amount of one percent (1%). The Sewer Activity Enterprise shall repay the loan from lawfully available funds. Unless otherwise extended by subsequent action of Town Council, the loan shall be paid in full by December 31, 2030.

Section 2. Promissory Note. The loan shall be evidenced and shall be in accordance with the terms of the Promissory Note attached hereto and incorporated herein by reference as Exhibit A. The Mayor and Town Clerk are hereby authorized to execute the Promissory Note.

Section 3. Appropriation. The obligation for payment of the Promissory Note shall be subject to the appropriation of funds by Town Council.

PASSED, SIGNED, APPROVED, AND ADOPTED this ____ day of August, 2020.

ATTEST:

TOWN OF JOHNSTOWN, COLORADO

By: _____
Diana Seele, Town Clerk

By: _____
Gary Lebsack, Mayor