



# Town of Johnstown

## TOWN COUNCIL AGENDA COMMUNICATIONS

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**AGENDA DATE:** August 17, 2020

**SUBJECT:** A 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

**ACTION PROPOSED:** Consider the Resolution Authorizing a Loan from the General Fund to the Sewer Activity Enterprise

**ATTACHMENTS:** 1. Resolution 2020-24

**PRESENTED BY:** Matt LeCerf, Town Manager

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### AGENDA ITEM DESCRIPTION:

Enclosed for your review and consideration is a Resolution that will authorize a loan from the General Fund to the Sewer Fund. The purpose is for the expansion of sanitary sewer service to accommodate future growth in the Town, specifically for properties adjacent to the Highway 60 corridor. These funds will be used for Phase I of the sanitary sewer expansion project that was presented to Council in July 2019 and subsequently a portion of this project was approved in the FY 2020 budget. The total budget amount for FY 2020 was approved at \$10 million.

You will note the resolution is only for a loan in the amount of \$9.5 million, just short of the budgeted amount. This is because the remaining balance will be in a form of a payment for the sanitary sewer connection for the Recreation Center recently constructed and completed. The loan terms include repayment by December 31, 2030 and will be charged at a 1% interest rate which is not compounding.

Final design and construction for the Phase I of the sanitary sewer project are expected sometime in October and will be presented to Council for consideration to begin construction.

### LEGAL ADVICE:

The Resolution was drafted by the Town Attorney.

*The Community That Cares*

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P: 970.587.4664 | 450 S. Parish Ave, Johnstown CO | F: 970.587.0141

**FINANCIAL ADVICE:**

Funds have been budgeted for this loan and the Sewer Fund will be obligated to repay this debt.

**RECOMMENDED ACTION:**

Approve Resolution 2020-24 as presented authorizing the loan from the General Fund to the Sanitary Sewer Fund.

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**For Approval**

I move to approve Resolution 2020-24, 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.

**For Denial**

I move we Resolution 2020-24, 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.

*Reviewed and Approved for Presentation,*

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Town Manager