



## **RESOLUTION No. 03-01-2023**

### **A RESOLUTION APPROVING AN INTERFUND LOAN AND REPAYMENT SCHEDULE OF BOND PROCEEDS FROM THE PRESSURIZED IRRIGATION FUND TO THE GENERAL FUND**

**WHEREAS**, the City of Santaquin is a fourth-class city in the State of Utah with the responsibility of providing essential government services for its residents; and

**WHEREAS**, the City of Santaquin is completing the construction of several capital projects within the General Fund including, but not limited to, the construction of a New City Hall, and has need for additional bond proceeds to complete and furnish said projects; and

**WHEREAS**, interest rates in the municipal bond market have increased dramatically over the past 24 months; and

**WHEREAS**, the Santaquin City Pressurized Irrigation Fund has unexpended low interest (1%) bond proceeds from its 2021 Water Revenue & Refund Bond, intended for the construction of the Summit Ridge Irrigation Tank and Booster Pump Project, which low interest bond funds are no longer needed for said purpose due to the award of grant proceeds from the American Rescue Plan Act (ARPA) via the State of Utah and Utah County; and

**WHEREAS**, it is more cost effective and financially beneficial for the Santaquin City General Fund to borrow said funds from the Santaquin City Pressurized Irrigation Fund rather than to pay bond origination fees and higher interest rates by seeking alternative sources in the municipal bond market;

**NOW THEREFORE**, be it resolved by the City Council of Santaquin City to approve an Interfund Loan from the Santaquin City Pressurized Irrigation Fund to the Santaquin City General Fund of up to Three Million Three Hundred Sixty-Two Thousand Nine Hundred Ninety and 66/100 Dollars (\$3,362,990.66), with an interest rate of one percent (1%) and repayment maturity date of 1/1/2039, with a repayment schedule outlined in the attached Interfund Loan Repayment Amortization Schedule (Exhibit A).

**ADOPTED AND PASSED** by the City Council of Santaquin City, Utah, this 7<sup>th</sup> day of March 2023.

**SANTAQUIN CITY**

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Daniel M. Olson, Mayor

|                                 |            |
|---------------------------------|------------|
| Councilmember Art Adcock        | Voted ____ |
| Councilmember Elizabeth Montoya | Voted ____ |
| Councilmember Lynn Mecham       | Voted ____ |
| Councilmember Jeff Siddoway     | Voted ____ |
| Councilmember David Hathaway    | Voted ____ |

ATTEST:

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Amalie R. Ottley, City Recorder

**(EXHIBIT A)**

**SANTAQUIN CITY PRESSURIZED IRRIGATION FUND TO  
SANTAQUIN CITY GENERAL FUND**

**INTERFUND LOAN REPAYMENT AMORTIZATION SCHEDULE**

| <b>No.</b> | <b>Date</b>     | <b>Principal</b>    | <b>Interest</b>    | <b>Total</b>        | <b>Balance</b>        |
|------------|-----------------|---------------------|--------------------|---------------------|-----------------------|
|            |                 |                     |                    |                     | <b>\$3,632,990.66</b> |
| <b>1</b>   | <b>9/1/2023</b> | <b>\$174,571.57</b> | <b>\$36,329.91</b> | <b>\$210,901.48</b> | <b>\$3,458,419.09</b> |
| <b>2</b>   | <b>9/1/2024</b> | <b>\$176,317.29</b> | <b>\$34,584.19</b> | <b>\$210,901.48</b> | <b>\$3,282,101.80</b> |
| <b>3</b>   | <b>9/1/2025</b> | <b>\$178,080.46</b> | <b>\$32,821.02</b> | <b>\$210,901.48</b> | <b>\$3,104,021.34</b> |
| <b>4</b>   | <b>9/1/2026</b> | <b>\$179,861.27</b> | <b>\$31,040.21</b> | <b>\$210,901.48</b> | <b>\$2,924,160.07</b> |
| <b>5</b>   | <b>9/1/2027</b> | <b>\$181,659.88</b> | <b>\$29,241.60</b> | <b>\$210,901.48</b> | <b>\$2,742,500.19</b> |
| <b>6</b>   | <b>9/1/2028</b> | <b>\$183,476.48</b> | <b>\$27,425.00</b> | <b>\$210,901.48</b> | <b>\$2,559,023.71</b> |
| <b>7</b>   | <b>9/1/2029</b> | <b>\$185,311.24</b> | <b>\$25,590.24</b> | <b>\$210,901.48</b> | <b>\$2,373,712.47</b> |
| <b>8</b>   | <b>9/1/2030</b> | <b>\$187,164.36</b> | <b>\$23,737.12</b> | <b>\$210,901.48</b> | <b>\$2,186,548.11</b> |
| <b>9</b>   | <b>9/1/2031</b> | <b>\$189,036.00</b> | <b>\$21,865.48</b> | <b>\$210,901.48</b> | <b>\$1,997,512.11</b> |
| <b>10</b>  | <b>9/1/2032</b> | <b>\$190,926.36</b> | <b>\$19,975.12</b> | <b>\$210,901.48</b> | <b>\$1,806,585.75</b> |
| <b>11</b>  | <b>9/1/2033</b> | <b>\$192,835.62</b> | <b>\$18,065.86</b> | <b>\$210,901.48</b> | <b>\$1,613,750.13</b> |
| <b>12</b>  | <b>9/1/2034</b> | <b>\$194,763.98</b> | <b>\$16,137.50</b> | <b>\$210,901.48</b> | <b>\$1,418,986.15</b> |
| <b>13</b>  | <b>9/1/2035</b> | <b>\$196,711.62</b> | <b>\$14,189.86</b> | <b>\$210,901.48</b> | <b>\$1,222,274.53</b> |
| <b>14</b>  | <b>9/1/2036</b> | <b>\$198,678.73</b> | <b>\$12,222.75</b> | <b>\$210,901.48</b> | <b>\$1,023,595.80</b> |
| <b>15</b>  | <b>9/1/2037</b> | <b>\$200,665.52</b> | <b>\$10,235.96</b> | <b>\$210,901.48</b> | <b>\$822,930.28</b>   |
| <b>16</b>  | <b>9/1/2038</b> | <b>\$202,672.18</b> | <b>\$8,229.30</b>  | <b>\$210,901.48</b> | <b>\$620,258.10</b>   |
| <b>17</b>  | <b>9/1/2039</b> | <b>\$204,698.90</b> | <b>\$6,202.58</b>  | <b>\$210,901.48</b> | <b>\$415,559.20</b>   |
| <b>18</b>  | <b>9/1/2040</b> | <b>\$206,745.89</b> | <b>\$4,155.59</b>  | <b>\$210,901.44</b> | <b>\$208,813.31</b>   |
| <b>19</b>  | <b>9/1/2041</b> | <b>\$208,813.31</b> | <b>\$2,088.13</b>  | <b>\$210,901.44</b> | <b>\$0.00</b>         |

*\*Repayment Terms are based upon the 2021 Water Revenue & Refund Bond Terms (direct interest costs passed through to the General Fund)*

*\*\*It is anticipated the General Fund will borrow up to \$3,632,990.66. If the amount borrowed is lower than the anticipated amount, the reduction will not alter the annual repayment schedule as outlined above. Rather, it will shorten the duration of the overall repayment schedule and end once the total principal repayments have been met sufficient to cover the amount borrowed, and the balance due is reduced to zero.*