

**CITY OF SANIBEL**

**RESOLUTION NO. 11-064**

**A RESOLUTION AMENDING RESOLUTION 06-118 TO APPROVE AN ADDITIONAL \$1,000,000 INTERFUND LOAN FROM THE GENERAL FUND TO THE SANIBEL SEWER SYSTEM AND TO ESTABLISH AN ANNUAL SCHEDULE OF REPAYMENTS FROM THE SANIBEL SEWER SYSTEM TO THE GENERAL FUND FOR THE INTERFUND LOANS; AND PROVIDING AN EFFECTIVE DATE.**

**WHEREAS**, Resolution No. 06-118 dated August 15, 2006 established an annual repayment schedule of \$350,000 over a 10-year period to repay the then outstanding interfund loan balance of \$3.5 million dollars; and

**WHEREAS**, as of July 19, 2011, the amount of such outstanding interfund loan from the General Fund to the Sanibel Sewer System is \$1,750,000; and

**WHEREAS**, the Council finds it necessary and appropriate to increase the interfund loan from the General Fund to the Sanibel Sewer System in the amount of \$1,000,000, with such increase to be used as part of the payoff of the Sanibel Sewer System's State Revolving Fund Loan Number 83504P; and

**WHEREAS**, the City Council finds it appropriate and necessary to revise the interfund loan balance, as well as the interfund loan repayment schedule established by Resolution No. 06-118, to include the \$1,000,000 interfund loan from the General Fund to the Sanibel Sewer System to provide for the repayment by the Sanibel Sewer System to the General Fund of those monies loaned; and

**WHEREAS**, the City Council finds it appropriate to amortize such repayment over a 10-year period;

**NOW, THEREFORE, BE IT RESOLVED** by the City Council of the City of Sanibel, Florida that City of Sanibel Resolution 06-118 is hereby amended to provide as follows:

**SECTION 1. Interfund Loan and Repayment Schedule.**

An interfund loan is hereby approved from the General Fund to the Sanibel Sewer System in the amount of \$1,000,000, increasing the current outstanding balance of the interfund loan from \$1,750,000 to \$2,750,000. Additionally, the annual repayment schedule of \$350,000 over a ten-year period for the then outstanding interfund loan

balance of \$3.5 million dollars is amended to extend the repayment period for an additional 5 years. The Sanibel Sewer System shall pay to the General Fund the total outstanding interfund loan balance in the amount of \$2,750,000 in equal annual payments of \$275,000 over a 10-year period. Such payment shall commence during the 2011-12 fiscal year and shall continue in consecutive, uninterrupted equal payments for each fiscal year thereafter for a period of 10 years.

**SECTION 2.** Adjustments for accelerated pay back.

In the event the Sanibel Sewer System revenues significantly increase at any time in the future and the Council determines that a more accelerated loan reimbursement schedule is appropriate, Council may, in light of such changed circumstances, amend Resolution 06-118, as amended by this resolution, to provide an accelerated loan reimbursement schedule at that time.

**SECTION 3.** Effective date.

This resolution shall take effect immediately upon adoption.

**DULY PASSED AND ENACTED** by the Council of the City of Sanibel, Florida, this 2nd day of August, 2011.

AUTHENTICATION:

\_\_\_\_\_  
Kevin Ruane, Mayor

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Pamela Smith, City Clerk

APPROVED AS TO FORM:

\_\_\_\_\_  
Kenneth B. Cuyler, City Attorney

\_\_\_\_\_  
Date

Vote of Council Members;

Ruane \_\_\_\_\_  
Denham \_\_\_\_\_  
Congress \_\_\_\_\_  
Harrity \_\_\_\_\_  
Jennings \_\_\_\_\_

Date filed with City Clerk: \_\_\_\_\_