

RESOLUTIONS OF THE CITY OF HELENA, MONTANA

RESOLUTION NO. 20729

A RESOLUTION ESTABLISHING AN OPERATING CASH LOAN FROM THE GENERAL FUND TO THE STREETS FUND FOR THE PURPOSE OF FUNDING THE COMPLETION OF PHASE II OF THE RODNEY STREET IMPROVEMENTS PROJECT

WHEREAS, the Streets Maintenance Fund (hereafter referred to as the "Streets Fund") is a governmental special revenue fund wholly owned and operated by the City of Helena;

WHEREAS, in connection with preparing the budget for Fiscal Year 2022, staff budgeted for and planned on the Streets Fund securing an INTERCAP Loan from the Montana Board of Investments in the amount of one million six hundred thousand and 00/100 dollars (\$1,600,000.00) to fund streets infrastructure in Phase II of Rodney Street Improvements Project;

WHEREAS, as part of its approval of the Fiscal Year 2022 Final Budget, the City Commission approved the debt service necessary to fund the streets infrastructure related to Phase II of the Rodney Street Improvements Project;

WHEREAS, eligibility for the anticipated INTERCAP loan from the Montana Board of Investments is dependent on street assessment revenue;

WHEREAS, in January 2022, the City of Helena was served with a Petition for Declaratory Judgment and Refund challenging the

RESOLUTIONS OF THE CITY OF HELENA, MONTANA

Resol. 20729

City's Street Maintenance and Improvement District assessment, which petition was filed with Montana's First Judicial District Court - Lewis & Clark County as Cause Number CDV-2022-59;

WHEREAS, while the above-described lawsuit is pending, the City of Helena is prevented from incurring any indebtedness secured by street assessment revenue;

WHEREAS, sometime in April 2022, staff plans to seek the Commission's approval of the bid award for Phase II of the Rodney Street Improvements Project, but an award of the bid is contingent upon availability of funds;

WHEREAS, the General Fund has sufficient excess reserves to loan the Streets Fund one million six hundred thousand dollars (\$1,600,000) until the above-described lawsuit is settled or final judgment is entered; and

WHEREAS, it appears to be in the best interests of the City of Helena, Montana, and the inhabitants thereof, for the General Fund to extend an Operating Cash Loan to the Streets Fund which will be refunded by the Streets Fund once the City of Helena can secure the necessary debt.

NOW, THEREFORE, BE IT RESOLVED BY THE COMMISSION OF THE CITY OF HELENA, MONTANA:

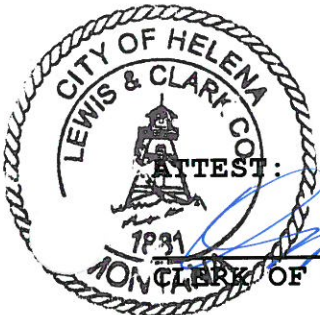
RESOLUTIONS OF THE CITY OF HELENA, MONTANA

Resol. 20729

Section 1. Operating Cash Loan: The City Commission hereby authorizes an Operating Cash Loan from the General Fund to the Streets Fund in the amount of one million six hundred thousand and 00/100 dollars (\$1,600,000.00), which amount shall bear interest at the current Montana Board of Investments INTERCAP rate of one and fifty-five hundredths percent (1.55%) per year, effective the date this Resolution is adopted.

Section 2. Repayment Schedule: The Cash Operating Loan from the General Fund to the Streets Fund will be repaid over the course of five (5) years, with payments beginning in July 2022. Payments shall be in the amount of one hundred sixty-seven thousand five hundred sixteen and 28/100 dollars (\$167,516.28). A payment shall be made on or before July 15th and on or before January 15th of each year until such loan can be refunded for the remaining outstanding principal and interest. There shall be no prepayment penalty.

**PASSED AND EFFECTIVE BY THE COMMISSION OF THE CITY OF HELENA,
MONTANA, THIS 11th DAY OF APRIL, 2022.**



CLERK OF THE COMMISSION

MAYOR