

RESOLUTION NO. 1101

A RESOLUTION AUTHORIZING THE CITY TO BORROW FUNDS FROM SOUTH VALLEY BANK AND TRUST

WHEREAS, the City has previously authorized interfund loans to the Crooked River Dinner Train for \$100,000, Industrial Park Debt Service Fund for \$150,000, and the Freight Depot Fund for \$200,000 totaling \$450,000,

WHEREAS, the City has authorized the accounting for such borrowing and repayment to reside in the Freight Depot Fund, and

WHEREAS, the City Budget Committee reviewed and approved the fiscal year 2009-10 budget, which included borrowing \$450,000 as of June 30, 2009, and

WHEREAS, the City's fiscal year 2009-10 budget includes interest payments based on a two-year loan amortization, and

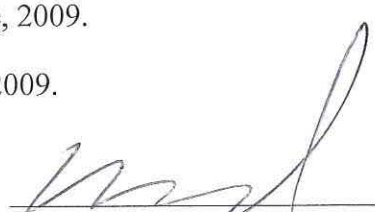
WHEREAS, City staff has reached an agreement with South Valley Bank & Trust to borrow \$450,000 at 4.5% annual interest for two years, which loan will be secured by a \$500,000 certificate of deposit, deposited with South Valley Bank & Trust.

NOW, THEREFORE, IT IS HEREBY RESOLVED BY THE CITY COUNCIL OF PRINEVILLE THAT:

1. The City is authorized to borrow from South Valley Bank & Trust \$450,000 for a term of two years at 4.5% annual interest. As security for the loan City shall deposit with South Valley Bank & Trust \$500,000 to be placed in a certificate of deposit that pays the City 1.3% annual interest.
2. The City Manager is authorized to execute appropriate and necessary documents with South Valley Bank & Trust to secure the \$450,000 loan and to deposit City funds of \$500,000 in a certificate of deposit with South Valley Bank & Trust with interest paid to the City of 1.3% per year.
3. The loan will be repaid on or before June 30, 2011.
4. This resolution is effective upon passage.

Passed by City Council this 23rd day of June, 2009.

Signed by the Mayor this 23rd day of June, 2009.


Mike Wendel, Mayor

ATTEST:


Steven B. Forrester, City Manager/City Recorder