

CITY OF PRINCETON

RESOLUTION NO. 20 - 40

**AUTHORIZING INTERFUND LOAN FOR
FUNDING OF THE AIRPORT RUNWAY RECONSTRUCTION**

BE IT RESOLVED By the City Council of the City of Princeton, Minnesota (the “City”) as follows:

Section 1. Background.

1.01. The City of Princeton (the “City”) has approved the reconstruction of the Princeton Airport runway

1.02. Subject to the approval by the City Council, the City will incur certain costs related to the Runway reconstruction which costs will be financed on a temporary basis from available City funds.

1.03. The City is authorized to advance or loan money from any fund from which such advances may be legally made in order to finance expenditures that are eligible to be paid.

Section 2. Repayment of Interfund Loan.

2.01. The City hereby authorizes the advance of legally available City funds up to \$100,000. to pay the Airport Runway Costs with interest at the rate of 3.0% per annum (the “Interfund Loan”). Interest accrues on the principal amount from the date of each draw for the Airport Runway reconstruction costs.

2.02. Principal and interest ("Payments") on the Interfund Loan shall be paid as available but no later than December 31, 2021.

2.03 The principal sum and all accrued interest payable under this resolution is pre-payable in whole or in part at any time by the City without premium or penalty.

2.04. This resolution is evidence of an internal borrowing by the City and is a limited obligation payable solely from Available Airport Funding and or Revenues pledged hereof under this resolution. The Interfund Loan shall not be deemed to constitute a general obligation of the State of Minnesota or any political subdivision thereof, including, without limitation, the City. Neither the State of Minnesota, nor any political subdivision thereof shall be obligated to pay the principal of or interest on the Interfund Loan or other costs incident hereto except out of Available Airport Funding and or Revenues.

2.05. The City may at any time make a determination to forgive the outstanding principal amount and accrued interest on the Interfund Loan to the extent permissible under law.

2.06. The City may from time to time amend the terms of this Resolution to the extent permitted by law, including without limitation amendment to the payment schedule and the interest rate.

Section 3. Effective Date. This resolution is effective upon passage.

Adopted by the City Council of the City of Princeton, Minnesota, this 28th day of May, 2020.

Mayor

ATTEST:

City Clerk

draft