

Capital Fund(s) Borrowing Agreement

WHEREAS the City Council of the City of Rochester Hills finds it advantageous to borrow monies from various capital funds for its Water and Sewer system, and

WHEREAS the capital funds making the loan to the Water and Sewer system have determined that they have sufficient funds available to make the loan, and

THEREFORE in consideration of agreements set forth below it is hereby agreed by and between the parties as follows:

The City's Water and Sewer system will borrow the principle sum of \$6,000,000 from the lending capital funds listed below for the purpose of acquiring and constructing a water reservoir system. Such funds shall be paid back in annual principle and interest payments not to exceed ten (10) years. Payments are to be made once a year before the close of each fiscal year. Interest on each payment will be based on the average monthly rate paid during the term of the agreement as earned by the City's Treasurer on monies under his/her control in the City's investment pool. The minimum schedule of principal payments will be:

<u>Year</u>	<u>Principal</u>
1	600,000
2	600,000
3	600,000
4	600,000
5	600,000
6	600,000
7	600,000
8	600,000
9	600,000
10	<u>600,000</u>
Total	6,000,000

<u>Lending Fund</u>	<u>Borrowing Fund</u>	<u>Borrowed Amount</u>
Fire Capital Fund	Water & Sewer	\$3,000,000
Facilities Fund	Water & Sewer	2,000,000
Fleet Fund	Water & Sewer	<u>1,000,000</u>
	Total	6,000,000

RESOLVED, that the Rochester Hills City Council hereby authorizes the borrowing of funds, as outlined and agreed to above, for the purpose of acquiring and constructing a water reservoir system.