

**ESCALANTE CITY
RESOLUTION 2019-02**

A RESOLUTION OF THE CITY COUNCIL OF ESCALANTE CITY, UTAH SUPPORTING THE INTERFUND LOAN FROM THE SEWER FUND TO THE GENERAL FUND TO ENABLE THE PAYMENT OF LEGAL FEES INCURRED BY A FORMER EMPLOYEE.

WHEREAS, An Escalante City employee was charged with criminal offenses for conduct arising out his employment with the City; and

WHEREAS, Utah Code section 52-6-201 requires the City to reimburse the city employee his costs and attorneys fees incurred if the city employee is successful in the defense of the charges; and

WHEREAS, the employee was successful in defending himself from the criminal charges and did incur attorneys fees and costs in doing so and has now requested reimbursement from the City; and

WHEREAS, the City has negotiated what the Council has been advised is an reasonable amount of fees and costs to be reimbursed to the employee; and

WHEREAS, the City general fund does not have enough unallocated money in it to pay the reimbursement of the fees but the City's Sewer Fund does have some money that is being held for long term projects that can be used by the City's general fund to pay the reimbursement subject to the general fund paying the Sewer Fund back with interest; and

WHEREAS, no more than \$70,000.00 in Sewer Funds will be Loaned to the General Fund for legal fees incurred by a previous employee.

WHEREAS, Utah State Code, 10-5-120, determines the governing body must authorize the loan by ordinance or resolution at a public meeting including the effective date of the loan, name of the fund loaning the money, name of the fund receiving the money, amount of the loan, term of and repayment schedule of the loan (not to exceed 10 years), interest rate of the loan, method of calculating interest applicable to the loan and procedures for applying interest and paying interest (see attachment A)

THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF ESCALANTE, UTAH:

SECTION 1. The Escalante City Council supports the loan of no more than \$70,000 from the Sewer Fund to the General Fund.

SECTION 2. The term of the loan is for a period of 10 years with an interest rate of 3.00% which is the amount that is not less than the greater of the Public Treasurers Investment Fund rate or the rate of a US Treasury note of a comparable term.

SECTION 3. Loan payment of \$8,206.14 will be made annually beginning on or before May 21, 2020 with the final payment of \$8,206.14 being made on or before May 21, 2029.

SECTION 4. Loan may be paid in full at any time prior to May 21, 2029 with no penalties assessed.

SECTION 5. The Escalante City held a Public Hearing on Tuesday, May 21, 2019 to receive public comment, and written notice was provided within at least 7 days of the hearing regarding the date, time and place of the hearing, purpose of the hearing, and the proposed terms and conditions of the interfund loan.

SECTION 6. Effective Date. This Resolution shall become effective upon passage.

APPROVED BY THE CITY COUNCIL OF THE CITY OF ESCALANTE, UTAH,

on this 21st day of May, 2019 by the following vote:

| | YES | NO | ABSTAIN | ABSENT |
|-----------------------------------|------------|-----------|----------------|---------------|
| City Council Member Louise Barnes | _____ | _____ | _____ | _____ |
| City Council Member Guy Graham | _____ | _____ | _____ | _____ |
| City Council Member Greg Allen | _____ | _____ | _____ | _____ |
| City Council Member Marlene Stowe | _____ | _____ | _____ | _____ |
| City Council Member Dan'l Lindsay | _____ | _____ | _____ | _____ |

Melani Torgersen / Mayor

ATTEST:

Stephanie Steed, CMC / City Recorder