

RESOLUTION NO. 2599

A RESOLUTION OF THE MAYOR AND COMMON COUNCIL OF THE TOWN OF PAYSON, ARIZONA, (1) SUSPENDING LOAN PRINCIPAL PAYMENTS FROM THE GENERAL FUND TO THE WATER ENTERPRISE FUND FOR FISCAL YEARS 2010-2011 AND 2011-2012 AND (2) DIRECTING PAYMENT OF INTEREST FOR FISCAL YEARS 2010-2011 AND 2011-2012.

WHEREAS, on May 26, 2010, the Town transferred \$1,000,000.00 from the Water Enterprise Fund to the General Fund (“the Loan”); and

WHEREAS, immediately following the Loan, the Finance Department administratively set up a repayment schedule for the Loan, including interest on the outstanding balance; and

WHEREAS, the Town budgeted the first such repayment, including interest, on the Loan in the FY 2010-2011 budget; and

WHEREAS, because of continuing financial constraints, the Town is unable to make the first (FY 2010-2011) or second (FY 2011-2012) repayments of principal on the Loan; and

WHEREAS, the Town will make the interest payments on the Loan for FY 2010-2011 and FY 2011-2012,

NOW, THEREFORE, THE MAYOR AND COMMON COUNCIL OF THE TOWN OF PAYSON, ARIZONA, DO HEREBY RESOLVE AS FOLLOWS:

- Section 1. That the Finance Department is directed to not make the first principal payment on the Loan for FY 2010-2011.
- Section 2. That the second principal payment on the Loan (for FY 2011-2012) shall not be included in the 2011-2012 budget.
- Section 3. That the Town Staff is directed to make the interest payment on the Loan for FY 2010-2011 and to include the interest payment in the FY 2011-2012 budget.
- Section 4. That the Town of Payson is hereby authorized to take all other actions necessary or appropriate to carrying out the terms of this Resolution.

PASSED AND ADOPTED BY THE MAYOR AND COMMON COUNCIL OF THE TOWN OF PAYSON, ARIZONA, this 2nd day of June, 2011, by the following vote:

AYES _____ NOES _____ ABSTENTIONS _____ ABSENT _____

Kenny J. Evans, Mayor

ATTEST:

APPROVED AS TO FORM:



Silvia Smith, Town Clerk

Timothy M. Wright, Town Attorney

JUN 02 2011 S.P. IC