

RESOLUTION NO. CLXXVI

A RESOLUTION AUTHORIZING BORROWING OF FUNDS BY THE CITY FROM THE CEMETERY SINKING FUND FOR THE PURPOSE OF REPAYING A 1971 GENERAL FUND DEFICIT.

WHEREAS, prior to the creation by Charter change of the Canby Utility Board in November, 1970, the Canby City Council authorized its Water Department to extend water lines on South Elm Street. Property owners on that street and adjacent to the line as authorized and extended were charged the cost for a 6-inch line. The Council at that time deemed it appropriate and expedient to enlarge the line to a 10-inch main for extra water capacity for future developments and for increased fire protection. The increased costs for the larger line amounted to \$8,629.15. For some unexplainable reason, the funds for such purpose were either never appropriated or were devoted to other authorized budget purposes, and the resulting deficit in the Water Department's account for said year was not known or detected until a recent audit; and

WHEREAS, the Canby Utility Board was created by the enactment of Charter Chapter XI adopted November 3, 1970, and assumed obligations and responsibilities as defined by said Chapter with regard to the City's Water Department. The Canby Utility Board has not until recently been aware of the City's over-expended Water Department budget, but is now agreeable to assume the responsibility and repay to the City from future budget resources and within the next two years the sum of \$8,629.15 plus interest, and to evidence the indebtedness by a negotiable Promissory Note; and

WHEREAS, a repayment by the City to its General Fund to balance the Water Department deficit which has existed since 1971 is immediately required and prior to the end of the current fiscal year; and

WHEREAS, the City's "CEMETERY SINKING FUND" created by Section 8 of City Ordinance No. 416 enacted July 7, 1958, and

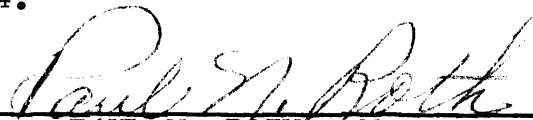
amended by Ordinance No. 467 enacted July 6, 1964, has sufficient funds on hand for a short-term loan at current deposit rates and to meet the emergency. NOW, THEREFORE,

BE IT RESOLVED that:

1. The City Treasurer and City Recorder shall transfer immediately from the "CEMETERY SINKING FUND" the sum of \$8,629.15 to the City's "GENERAL FUND" and the funds thus transferred and for the aforesaid purposes are to be repaid to said Sinking Fund on or before July 1, 1976, with interest thereon at the rate of ____% per annum from July 1, 1974, until repaid.


2. The City Recorder shall obtain from the Canby Utility Board its negotiable Promissory Note to the City of current date and payable on or before July 1, 1976, with interest thereon at the aforesaid rate.

Adopted by the Canby City Council at a regular meeting thereof on Monday, June 17, 1974.



PAUL N. ROTH - Mayor

ATTEST:



J. R. RICHARDSON - City Recorder