

**CITY OF LAKE ELMO
WASHINGTON COUNTY
STATE OF MINNESOTA**

RESOLUTION NO. 2025-016

**RESOLUTION APPROVING INTERFUND LOAN AND FUND TRANSFERS FOR
LAND PURCHASE**

WHEREAS, the City Council has approved for purchase two properties for the purpose of future development as park lands and ballfields (PIDs 15.029.21.41.0001 & 15.029.21.42.0004 ; and

WHEREAS, the City Council has determined that said purchase shall be paid via the combination of funds

1. \$ 1,000,000 provided by the Royal Golf development for the purpose of ballfields (originally deposited in the Park Dedication Fund).
2. \$ 2,000,000 interfund loan from the Sewer Fund

NOW THEREFORE BE IT RESOLVED by the City Council of the City of Lake Elmo, Washington County, Minnesota, as follows;

1. **Fund Transfer:** A transfer of \$ 1,000,000 shall be made from the Park Dedication Fund (Fund 404) to the newly established Ballfield Fund (Fund 412).
2. **Interfund Loan:** Interfund loans (the "Loan") in the amount of \$2,000,000 shall be made from the Sewer Fund to the Ballfield Fund.
3. **Terms:** The Loan shall bear simple interest in the amount of 5% annually starting August 1, 2025 and shall mature on July 31, 2035.
4. **Repayment:** The Loan shall be repaid with transfers from the Ballfield Fund to the Sewer Fund as follows;

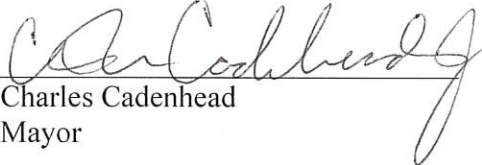
Payment Date	Principal	Interest	Total Payment
7/31/2026	200,000	100,000	300,000
7/31/2027	200,000	90,000	290,000
7/31/2028	200,000	80,000	280,000
7/31/2029	200,000	70,000	270,000
7/31/2030	200,000	60,000	260,000
7/31/2031	200,000	50,000	250,000
7/31/2032	200,000	40,000	240,000
7/31/2033	200,000	30,000	230,000
7/31/2034	200,000	20,000	220,000
7/31/2035	200,000	10,000	210,000
Total Payments	2,000,000	550,000	2,550,000

5. **Planned Levies:** To fund such repayment, levies in the amount of the Total Payment above shall be planned for the year in which the payment is due. Each levy should be incorporated into the annual Budget and Tax Levy for any given year and deposited into the Ballfield Fund.

Failure to levy the planned amounts shall result in the delay of repayment back to the Sewer Fund until such time as other payment arrangements are made.

6. **Prepayment:** The principal sum and all accrued interest payable under this Interfund Loan are prepayable in whole or in part at any time by the City without premium or penalty. No partial prepayment shall affect the amount or timing of any other regular payment otherwise required to be made under this Interfund Loan.
7. **Amendments:** The City may amend the terms of the Interfund Loan at any time by resolution of the City Council, including a determination to forgive the outstanding principal amount and accrued interest to the extent permissible under law.
8. **Note:** The loan shall not be evidenced by a note or writing other than this resolution.

ADOPTED, by the Lake Elmo City Council on the 18th day of February, 2025.


Charles Cadenhead
Mayor

ATTEST:


Julie Johnson
City Clerk