

**INTERFUND LOAN AGREEMENT BY AND BETWEEN THE FORT BRAGG
GENERAL FUND AND THE FORT BRAGG WASTEWATER ENTERPRISE
FUND**

In accordance with Resolution No. 3720-2014 of the Fort Bragg City Council approving and adopting an Interfund Loan Policy, the following Agreement is hereby approved as of June 30, 2017, between the Fort Bragg General Fund, as borrower and the Fort Bragg Wastewater Enterprise Fund, as lender, as authorized by Resolution No. XXXX-XXXX of the Fort Bragg City Council.

Date of Loan: July 1, 2016

Amount: \$1,919,261.20

Interest Rate: 0.55%

Term: Commencing July 1, 2016 and maturing June 30, 2022.

Payments: An initial cash payment in the amount of \$1,152,825.10 shall be made immediately upon execution of this agreement. An additional \$579,331.00 shall be satisfied with the transfer of fixed assets from the General Fund to the Wastewater Enterprise immediately upon execution of this agreement. Borrower will make payments as set forth in Schedule I for the remaining \$187,105.10. Any unpaid balance as of June 30, 2022, shall be immediately due and payable in full.

Collateral: Any and all undesignated fund balance or other reserves available, excluding the operating reserve, shall be paid in accordance with Schedule I, and applied first to repay accrued interest and then to the principal balance outstanding.

Right to Prepay: Borrower has the right to make payments of principal at any time before they are due.

Feasibility Analysis: The Wastewater Enterprise Fund has sufficient funds to loan to the General Fund, as demonstrated by its current cash balance. The General Fund expects to repay the loan from undesignated fund balances and reserves, which are expected to be \$3,603,827 as of June 30, 2016. These balances and reserves are sufficient to cover the debt service requirement of this loan.

This agreement may be amended with the consent of the Fort Bragg City Council, provided the amendments are consistent with the City's Interfund Loan Policy.

ACKNOWLEDGED:

City Manager

Fund Manager

SCHEDULE I

Amortization Schedule - Interfund Loan

From Fund 710 to Fund 110 (Resolution XXXX-XXXX)

Purpose: Repayment of prior year over-allocations of overhead costs

Loan Amount	\$ 187,105.10	Scheduled Payment	See Below
Annual Interest Rate	0.55%	Scheduled No. of Pymts	20
Loan Period In Years	5	Actual No. of Pymts	20
No. of Pymts/Year	4	Total Principal Pymnts	\$187,105.10
Start Date of Loan	07/01/16	Total Interest	\$10,992.96

Pmt No.	Payment Date	Beginning Balance	Scheduled Payment	Total Payment	Principal	Interest	Ending Balance
1	09/30/17	\$187,105.10	\$ 9,904.90	\$ 9,904.90	\$ 8,875.82	\$ 1,029.08	\$ 178,229.28
2	12/31/17	178,229.28	9,904.90	9,904.90	8,924.64	\$ 980.26	169,304.64
3	03/31/18	169,304.64	9,904.90	9,904.90	8,973.72	\$ 931.18	160,330.91
4	06/30/18	160,330.91	9,904.90	9,904.90	9,023.08	\$ 881.82	151,307.83
5	09/30/18	151,307.83	9,904.90	9,904.90	9,072.71	\$ 832.19	142,235.13
6	12/31/18	142,235.13	9,904.90	9,904.90	9,122.61	\$ 782.29	133,112.52
7	03/31/19	133,112.52	9,904.90	9,904.90	9,172.78	\$ 732.12	123,939.74
8	06/30/19	123,939.74	9,904.90	9,904.90	9,223.23	\$ 681.67	114,716.51
9	09/30/19	114,716.51	9,904.90	9,904.90	9,273.96	\$ 630.94	105,442.55
10	12/31/19	105,442.55	9,904.90	9,904.90	9,324.97	\$ 579.93	96,117.58
11	03/31/20	96,117.58	9,904.90	9,904.90	9,376.25	\$ 528.65	86,741.33
12	06/30/20	86,741.33	9,904.90	9,904.90	9,427.82	\$ 477.08	77,313.51
13	09/30/20	77,313.51	9,904.90	9,904.90	9,479.68	\$ 425.22	67,833.83
14	12/31/20	67,833.83	9,904.90	9,904.90	9,531.81	\$ 373.09	58,302.02
15	03/31/21	58,302.02	9,904.90	9,904.90	9,584.24	\$ 320.66	48,717.78
16	06/30/21	48,717.78	9,904.90	9,904.90	9,636.95	\$ 267.95	39,080.83
17	09/30/21	39,080.83	9,904.90	9,904.90	9,689.96	\$ 214.94	29,390.87
18	12/31/21	29,390.87	9,904.90	9,904.90	9,743.25	\$ 161.65	19,647.62
19	03/31/22	19,647.62	9,904.90	9,904.90	9,796.84	\$ 108.06	9,850.78
20	06/30/22	9,850.78	9,904.90	9,904.96	9,850.78	\$ 54.18	0.00
			\$ 198,098.00	\$ 198,098.06	\$ 187,105.10	\$ 10,992.96	

Payment Totals by Fiscal Year

	Interest	Principal	Total
FY 2017-18	3,822.33	35,797.27	39,619.60
FY 2018-19	3,028.27	36,591.33	39,619.60
FY 2019-20	2,216.60	37,403.00	39,619.60
FY 2020-21	1,386.92	38,232.68	39,619.60
FY 2021-22	\$ 538.84	\$ 39,080.82	39,619.66
	\$ 10,992.96	\$ 187,105.10	\$ 198,098.06