

FINANCE COMMITTEE

10-0420R

RESOLUTION TRANSFERRING MONIES TO STREET IMPROVEMENT
DEBT SERVICE FUND FROM THE COMMUNITY INVESTMENT TRUST
FUND TO CANCEL 2010 DEBT SERVICE TAX LEVY.

CITY PROPOSAL:

WHEREAS, the city of Duluth, Minnesota (the "city"), has issued several series of general obligation street improvement bonds (the "bonds") to finance the city's street improvement program, with a portion of the principal of and interest on the bonds being payable from special assessments on benefitted property and a portion being payable from a debt service tax levy; and

WHEREAS, the city administration has proposed to cancel a portion of the 2010 debt service tax levy with a transfer of monies from the community investment trust fund (Fund 256) (the "CIT fund").

NOW, THEREFORE, BE IT RESOLVED, by the city council of the city, as follows:

The council hereby transfers \$3,620,670 from the CIT fund to the bond accounts within the street improvement debt service fund (the "debt service fund") for payment of a portion of the principal of and interest on the bonds due on August 1, 2011, and February 1, 2012. The monies hereby appropriated shall

be transferred to the debt service fund within 30 days of passage and approval of this resolution.

Approved:

Approved for presentation to council:

Department Director

Chief Administrative Officer

Approved as to form:

Approved:

Attorney

Auditor

FIN RET/CW:rb 8/5/2010

STATEMENT OF PURPOSE: The purpose of this resolution is to provide for the transfer of \$3,620,670 from the community investment trust fund to the street improvement debt service fund to cancel a portion of the debt service tax levy for 2010 on the outstanding general obligation street improvement bonds. This resolution will require at least seven affirmative votes of the councilors.