

CITY OF ENGLEWOOD

**NOTICE OF APPROVAL
OF A BILL FOR AN ORDINANCE**

On the 20th day of January 2026, the City Council of the City of Englewood, Colorado, approved on first reading the following Council Bill:

**BY AUTHORITY
COUNCIL BILL NO. 11
INTRODUCED BY
COUNCIL MEMBER WARD**

A BILL FOR AN EMERGENCY ORDINANCE AUTHORIZING AN INTERFUND LOAN FROM THE SEWER ENTERPRISE FUND TO THE STORM DRAINAGE ENTERPRISE FUND IN THE AMOUNT OF \$3,000,000 FOR TEMPORARY CASH FLOW PURPOSES, AND APPROVING THE TERMS AND CONDITIONS OF THE LOAN.

Copies of the aforesaid council bill are available for public inspection in the office of the City Clerk, City of Englewood, Civic Center, 1000 Englewood Parkway, Englewood, Colorado 80110 or it can be found at <http://www.englewoodco.gov>, Government, Legal/Public Notices.

PUBLISHED: JANUARY 21, 2026
Official Website of the City of
Englewood, Colorado

ORDINANCE
NO. _____
SERIES OF 2026

COUNCIL BILL NO. 11
INTRODUCED BY COUNCIL
MEMBER _____

A BILL FOR

AN EMERGENCY ORDINANCE AUTHORIZING AN INTERFUND LOAN FROM THE SEWER ENTERPRISE FUND TO THE STORM DRAINAGE ENTERPRISE FUND IN THE AMOUNT OF \$3,000,000 FOR TEMPORARY CASH FLOW PURPOSES, AND APPROVING THE TERMS AND CONDITIONS OF THE LOAN.

WHEREAS, the City of Englewood owns and operates a sewer utility and a stormwater utility as separate enterprise funds established under Title 12 of the Englewood Municipal Code; and

WHEREAS, the Storm Drainage Enterprise Fund has experienced significant and immediate cash outflows associated with the completion of major capital projects initiated in 2023 and 2024, including the South Englewood Flood Reduction Project and the Old Hampden Utilities Project, resulting in substantial payments made at the end of 2025 and early 2026; and

WHEREAS, as a result of these capital expenditures, the Storm Drainage Enterprise Fund cash balance declined from approximately \$2,020,318.48 as of November 30, 2025, to less than \$300,000 as of January 9, 2026, while reimbursements associated with those projects are not anticipated until spring 2026; and

WHEREAS, notwithstanding ongoing storm drainage user fee revenues of approximately \$300,000 per month, the Storm Drainage Enterprise Fund currently lacks sufficient liquidity to timely meet near-term financial obligations, including but not limited to:

- required payments to the Mile High Flood District totaling approximately \$775,000 under approved 2025 intergovernmental agreement amendments;
- a State Revolving Fund loan debt service payment of approximately \$810,771 due May 1, 2026;
- a stormwater revenue bond debt service payment of approximately \$131,000 due June 1, 2026; and
- remaining invoices associated with the Old Hampden Utilities Project; and

WHEREAS, the Sewer Enterprise Fund has a sufficient available cash balance in excess of its current requirements, and the City Council finds that it is financially prudent and in the public interest to temporarily allocate a portion of such excess for the benefit of the stormwater utility, provided that the Sewer Fund is fully repaid with interest; and

WHEREAS, Article X, Section 102 of the Englewood Home Rule Charter authorizes the Council to create and manage special funds by ordinance, and Charter

Section 41 expressly authorizes the City Council to adopt emergency ordinances when necessary for the immediate preservation of the public peace, health, or safety; and

WHEREAS, the City Council finds and determines that the present circumstances constitute an emergency within the meaning of Charter Section 41, requiring immediate financial action to ensure continuity of stormwater services and to prevent disruption to essential public infrastructure; and

WHEREAS, the City Council further finds that this interfund transaction is structured as a loan with a binding obligation of repayment and interest, constituting an exchange transaction and not a grant or permanent transfer, thereby preserving the enterprise status of both the Sewer and Storm Drainage Enterprise Funds under Article X, Section 20 of the Colorado Constitution (TABOR); and

WHEREAS, the Governmental Accounting Standards Board (GASB) recognizes interfund loans as permissible exchange transactions when repayment within a reasonable time and appropriate interest are required, and the City Council intends this loan to comply fully with such standards; and

WHEREAS, the Water and Sewer Board recommended Council approval of this ordinance at its January 13, 2026 meeting, including a recommended loan interest rate of three percent (3%); and

WHEREAS, the City Council finds that immediate adoption of this ordinance is necessary to avoid harm to the public health, safety, and welfare and that delaying action until the normal ordinance effective date would be contrary to the public interest.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF ENGLEWOOD, COLORADO, AS FOLLOWS:

Section 1. Emergency Declaration. The City Council hereby declares that an emergency exists requiring immediate legislative action pursuant to Englewood Home Rule Charter Section 41, and that this ordinance is necessary for the immediate preservation of the public peace, health, and safety. This Ordinance shall require two readings that may be on consecutive days, require unanimous approval of a quorum present, be effective immediately upon final passage, and be published within seven days after publication following final passage.

Section 2. Loan Authorization. The City Council hereby authorizes a loan of Three Million Dollars (\$3,000,000) from the Sewer Enterprise Fund to the Storm Drainage Enterprise Fund. This interfund loan is to provide temporary cash flow support for the Storm Drainage Enterprise Fund for approved stormwater capital projects and operating needs. The loaned funds shall be used exclusively for lawful expenditures of the Stormwater Enterprise.

Section 3. Source of Loan Funds. The \$3,000,000 shall be disbursed from available unrestricted cash reserves of the Sewer Enterprise Fund. The City's Finance Director has certified that this amount is available for loan without impairing the Sewer

Fund's current obligations. The loan shall be recorded on the City's books as an interfund "advance/loan receivable" in the Sewer Fund and an interfund "advance/loan payable" in the Storm Drainage Enterprise Fund, consistent with GASB standards (i.e., not as revenue or expense to either fund).

Section 4. Term and Repayment. The Storm Drainage Enterprise Fund shall repay the full loan principal of \$3,000,000, together with accrued interest, by no later than February 26, 2027. The loan may be prepaid in whole or in part at any time without penalty. The Finance Director shall establish a repayment schedule providing for monthly payments of principal and interest, such that the entire principal and interest are paid by the maturity date. All repayments shall be made from Storm Drainage Enterprise Fund revenues or other lawfully available funds of that enterprise.

Section 5. Interest Rate. Interest shall accrue on the outstanding loan balance at a fixed rate of three percent (3%) per annum, calculated from the date of each disbursement until repayment. Interest shall be payable to the Sewer Enterprise Fund at least annually.

Section 6. Documentation. Staff is directed to prepare a promissory note or interfund loan agreement reflecting the terms of this Ordinance, to be executed by the City Manager or Finance Director on behalf of the Storm Drainage Enterprise Fund and acknowledged by the Sewer Enterprise Fund. This document shall serve as an internal record of the loan. Failure to execute such a note shall not affect the validity of the loan obligation as authorized by this Ordinance.

Section 7. Budget and Accounting Treatment. The loan is hereby appropriated in the Sewer Fund as an other financing use and in the Storm Drainage Enterprise Fund as an other financing source, solely for the purposes of budgetary accounting in 2026. The loan does not constitute revenue to the Storm Drainage Enterprise Fund for TABOR purposes, being an exchange transaction and obligation to repay. The Finance Director shall report the interfund loan on the City's annual financial statements, including the outstanding balance at year-end and the principal/interest payment schedule, in accordance with GASB disclosure requirements.

Section 8. Enterprise Status and TABOR Compliance. The City Council finds that the Sewer and Storm Drainage Enterprise Funds are enterprises under TABOR. This Ordinance and the loan authorized herein shall not be interpreted to pledge any tax revenue or create any multiple-fiscal year debt of the City requiring voter approval. The obligation of the Storm Drainage Enterprise Fund to repay the Sewer Fund is an obligation of the Storm Drainage Enterprise payable from its enterprise revenues. No City general fund or tax revenues are pledged for repayment. The loan is subject to annual appropriation by the City Council as part of the Storm Drainage Enterprise Fund budget, but it is the Council's expressed intent to appropriate such amounts as are necessary to fulfill the repayment schedule from Stormwater revenues, so as to repay the Sewer Fund in full by the agreed date. Both the Sewer and Storm Drainage Enterprise funds shall continue to operate in compliance with Article X, §20 of the Colorado Constitution, and nothing in this Ordinance shall cause the Storm Drainage Enterprise to

receive a grant in excess of the 10% limit; rather, this is a market-based, arms-length loan arrangement.

Section 9. General Provisions. The following general provisions and findings are applicable to the interpretation and application of this Ordinance:

A. Severability. If any clause, sentence, paragraph, or part of this Ordinance or the application thereof to any person or circumstances shall for any reason be adjudged by a court of competent jurisdiction invalid, such judgment shall not affect, impair or invalidate the remainder of this Ordinance or its application to other persons or circumstances.

B. Inconsistent Ordinances. All other Ordinances or portions thereof inconsistent or conflicting with this Ordinance or any portion hereof are hereby repealed to the extent of such inconsistency or conflict.

C. Effect of repeal or modification. The repeal or modification of any provision of the Code of the City of Englewood by this Ordinance shall not release, extinguish, alter, modify, or change in whole or in part any penalty, forfeiture, or liability, either civil or criminal, which shall have been incurred under such provision, and each provision shall be treated and held as still remaining in force for the purposes of sustaining any and all proper actions, suits, proceedings, and prosecutions for the enforcement of the penalty, forfeiture, or liability, as well as for the purpose of sustaining any judgment, decree, or order which can or may be rendered, entered, or made in such actions, suits, proceedings, or prosecutions.

D. Safety Clauses. The City Council hereby finds, determines, and declares that this Ordinance is promulgated under the general police power of the City of Englewood, that it is promulgated for the health, safety, and welfare of the public, and that this Ordinance is necessary for the preservation of health and safety and for the protection of public convenience and welfare. The City Council further determines that the Ordinance bears a rational relation to the proper legislative object sought to be obtained. This Safety Clause is not intended to affect a Citizen right to challenge this Ordinance through referendum pursuant to City of Englewood Charter 47.

E. Publication. Publication of this Ordinance may be by reference or in full in the City's official newspaper, the City's official website, or both. Publication shall be effective upon the first publication by either authorized method. Manuals, Municipal Code, contracts, and other documents approved by reference in any Council Bill may be published by reference or in full on the City's official website; such documents shall be available at the City Clerk's office and in the City Council meeting agenda packet when the legislation was adopted.

F. Actions Authorized to Effectuate this Ordinance. The Mayor is hereby authorized and directed to execute all documents necessary to effectuate the approval authorized by this Ordinance, and the City Clerk is hereby authorized and directed to attest to such execution by the Mayor where necessary. In the absence of the Mayor, the Mayor Pro Tem is hereby authorized to execute the above-referenced documents. The

execution of any documents by said officials shall be conclusive evidence of the approval by the City of such documents in accordance with the terms thereof and this Ordinance. City staff is further authorized to take additional actions as may be necessary to implement the provisions of this Ordinance, and has the authority to correct formatting and/or typographical errors discovered during codification.

G. Enforcement. To the extent this ordinance establishes a required or prohibited action punishable by law, unless otherwise specifically provided in Englewood Municipal Code or applicable law, violations shall be subject to the General Penalty provisions contained within EMC § 1-4-1.