



Resolution 2005-039

A RESOLUTION AUTHORIZING AN INTERFUND LOAN TO REPAY WATER IMPROVEMENT SYSTEM DEVELOPMENT CHARGES (SDCs) USED TO PURCHASE A PORTION OF SUNSET PARK

WHEREAS, in 1998, the City acquired the 20.88 acre Sunset (Snyder) Park property using Water Improvement SDC funds, which expenditure was lawful at the time because the property was being acquired primarily to site a water reservoir; and

WHEREAS, to the extent the land is converted permanently to park purposes, the Water Improvement SDC funds must be reimbursed; and

WHEREAS, with construction of the improvements detailed in the master plan for the park, 12.52 acres will be converted to parks and recreation uses in 2005; and

WHEREAS, the Water SDCs must be repaid within a year of the determination of the portion of the land used for park purposes; and

WHEREAS, such immediate payment of Parks SDCs would decrease the amount of Parks SDCs on hand and thereby increase the amount of the external borrowing anticipated in 2005 to finance the Sunset Park improvements; and

WHEREAS, the Water Fund has unrestricted funds on hand which are not needed to subsidize capital projects in the near term; and

WHEREAS, inter-fund loans are lawful if authorized by the City Council;

WHEREAS, inter-fund loans are less expensive to the City as a whole than external borrowings;

NOW, THEREFORE, THE CITY RESOLVES AS FOLLOWS:

Section 1. The General Construction Fund shall pay to the Water Fund \$917,478 to purchase land. Such loan shall be paid by Parks Improvement or Reimbursement SDCs; bear interest at the rate earned on the City's deposits in the State Local Government Investment Pool for the effective date nearest the date of this resolution; and be paid in equal installments over five years, with the first annual payment due June 7, 2006. The loan may be prepaid without penalty.

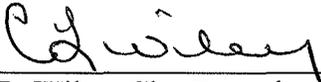
Section 2: This Resolution shall be effective upon its approval and adoption.

Duly passed by the City Council this 7th day of June, 2005.

A large, stylized handwritten signature in black ink, consisting of several overlapping loops and a long horizontal stroke at the bottom.

Dennis M. Durrell, Council President

ATTEST:

A handwritten signature in black ink, appearing to read 'C.L. Wiley', written in a cursive style.

C.L. Wiley, City Recorder