

RESOLUTION NO. \_\_\_\_\_

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CHULA VISTA AFFIRMING AND CONSOLIDATING THE EXISTING INTERFUND LOANS FROM THE TRANSPORTATION DEVELOPMENT IMPACT FEE FUND TO THE FIRE SUPPRESSION SYSTEM EXPANSION COMPONENT OF THE PUBLIC FACILITIES DEVELOPMENT IMPACT FEE FUND WITH A PRINCIPAL AMOUNT OF \$10.5 MILLION AND APPROVING A CONSOLIDATED INTERFUND LOAN REPAYMENT SCHEDULE REFLECTING FINANCING COSTS AND REPAYMENTS TO DATE

WHEREAS, the Transportation Development Impact Fee (TDIF) fund previously loaned \$10.5 million to the Public Facilities Development Impact Fee (PFDIF) fund to finance capital improvements via City Council approved interfund loans; and

WHEREAS, the original actions approving interfund loans from the TDIF fund to the PFDIF fund did not identify the specific component of the PFDIF program borrowing funds; and

WHEREAS, pursuant to §3.50.110(B) of the Chula Vista Municipal Code, the PFDIF has a single fund for financial reporting purposes; and

WHEREAS, for fee calculation and administration purposes, each component of the PFDIF is budgeted and accounted for as a separate fund; and

WHEREAS, a negative cash balance in the Fire Suppression System Expansion component of the PFDIF generated the need for the \$10.5 million in interfund loans; and

WHEREAS, it is therefore appropriate to record these interfund loans as borrowings by the Fire Suppression System Expansion component of the PFDIF; and

WHEREAS, in compliance with the proposed Interfund Loan Policy under consideration by the City Council on this same date, staff recommends consolidating all interfund borrowings between these two funds, reflecting all payments through June 30, 2014 and recalculating interest charges through the same date using the City's actual pooled investment earnings; and

WHEREAS, the balance due as of June 30, 2014 after accounting for all payments and interest charges totals \$10,312,087; and

WHEREAS, a consolidated interfund loan repayment schedule reflecting a 10-year repayment term and the City's current pooled investment earning rate has been prepared and is set forth in Exhibit 1, attached hereto and incorporated herein by reference as if set forth in full; and

WHEREAS, future financing costs incurred as a result of this borrowing will vary based on the City's actual pooled investment earnings and the availability of funds to repay the debt.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Chula Vista, that it does hereby affirm and consolidate existing interfund loans from the TDIF fund to the Fire Suppression System Expansion component of the PFDIF fund with a principal amount of \$10.5 million.

BE IT FURTHER RESOLVED by the City Council of the City of Chula Vista, that it does hereby approve a consolidated interfund loan repayment schedule reflecting financing costs and repayments to date as presented and as reflected in Exhibit 1 to this Resolution, subject to administrative adjustment based on actual pooled investment earning rates and availability of funds to repay the debt.

Presented by

Approved as to form by

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Maria Kachadoorian  
Deputy City Manager

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Glen R. Googins  
City Attorney