

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

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF  
CHULA VISTA ADOPTING AN INTERFUND LOAN POLICY

WHEREAS, in accordance with generally accepted accounting principles and applicable legal requirements, the City has established various special revenue, capital project, debt service, and enterprise funds to account for revenues whose use should be restricted to certain activities; and

WHEREAS, on occasion, cash flow constraints in a particular fund may necessitate interim financing of capital projects; and

WHEREAS, interfund borrowings are an appropriate capital project financing alternative to incurring external debt, provided that the fiduciary purpose of the loaning fund is not negatively impacted; and

WHEREAS, interfund borrowings should be limited to one-time capital expenditures and are not an appropriate funding source for ongoing operations and maintenance activities; and

WHEREAS, no City fund should profit nor be penalized for internal borrowings; and

WHEREAS, the proposed interfund loan policy establishes standard terms and documentation required for interfund borrowings; and

WHEREAS, the City Council wishes to adopt an Interfund Loan Policy, as set forth in Exhibit 1, attached hereto and incorporated herein by reference as if set forth in full.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Chula Vista, that it does hereby adopt the Interfund Loan Policy in the form presented, as reflected in Exhibit 1 to this Resolution.

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