

**RESOLUTION NO. 2016-207**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ELK GROVE  
AUTHORIZING THE CITY MANAGER TO APPROVE AN INTER-FUND LOAN  
AGREEMENT FROM THE DRAINAGE FUND TO THE INTELLIGENT  
TRANSPORTATION SYSTEM PHASE 4 PROJECT, CITY PROJECT WTC001 IN THE  
AMOUNT OF \$2,312,000, SUBJECT TO THE APPROVAL OF REIMBURSEMENT  
FROM THE CALIFORNIA DEPARTMENT OF TRANSPORTATION (CALTRANS),  
AND AMENDMENT TO THE FISCALYEAR 2016-17 BUDGET**

**WHEREAS**, a balanced and efficient transportation system is an important component of the quality of life desired by the residents; and

**WHEREAS**, the City of Elk Grove (the "City") seeks to implement the Intelligent Transportation Systems (ITS) Phase IV project, as identified as WTC001 in the Capital Improvement Program 2016-21; and

**WHEREAS**, the California Transportation Commission (CTC) adopted Assembly Bill 3090, which allows local agencies to enter into an agreement with the California Department of Transportation (Caltrans) and CTC to use its own funds to implement a project that has been included in the adopted State Transportation Improvement Program (STIP) and to receive a later reimbursement from STIP funds; and

**WHEREAS**, the City has an Inter-Fund Loan policy that formalizes the terms of Inter-Fund Loans; and

**WHEREAS**, Inter-Fund loans may be utilized for specific purposes such as financing capital improvements related to any phase from project development through delivery. Such improvements shall have been approved by the Council through approval of the fiscal budget or other Council action; and

**WHEREAS**, Inter-Fund loans are not permitted without an identified repayment source. The borrowing fund must anticipate sufficient revenues to be in a position over the period of the loan to make the specified principal and interest payments; and

**WHEREAS**, the lending fund may loan only that portion of the fund's cash which is clearly inactive or in excess of current needs; and

**WHEREAS**, requests for Inter-Fund loans shall include a summary document supporting the loan request and defining the payments and interest, and shall be reviewed and signed by the department head and approved by the Finance Administrator; and

**WHEREAS**, the lending fund will charge the borrowing fund a reasonable rate of interest which is variable, with the initial rate being the City's pooled cash rate at the end of the quarter prior to loan approval; and

**WHEREAS**, Inter-Fund loan approvals will be executed for all loans, short-term or long-term; and

**WHEREAS**, all Inter-Fund loans will be repaid over a specific period, not to exceed ten years; and

**WHEREAS**, the interest rate will be variable, with the initial rate being the City's pooled cash rate at the end of the quarter prior to loan approval; and

**WHEREAS**, the Drainage Fund (503) has idle funds beyond what is needed to fund current projects.

**NOW, THEREFORE, BE IT RESOLVED**, that the City Council of the City of Elk Grove hereby approves the Inter-Fund loan from the Drainage Fund (503) to the Capital Grant Fund (351) for the Intelligent Transportation System, Phase IV, City Project No. WTC001, conditioned upon the approval of the reimbursement of STIP funds by CTC .

**BE IT FURTHER RESOLVED** that the Inter-Fund loan amount is \$2,312,000 for a term not longer than five years, may be fully paid at any time during the five-year period, at a variable interest rate tied to Local Agency Investment fund (LAIF).

**BE IT FURTHER RESOLVED** that that the City Council of the City of Elk Grove hereby amends the Fiscal Year 2016-17 Budget to accommodate this action.

**PASSED AND ADOPTED** by the City Council of the City of Elk Grove this 26<sup>th</sup> day of October 2016.



\_\_\_\_\_  
GARY DAVIS, MAYOR of the  
CITY OF ELK GROVE

ATTEST:



\_\_\_\_\_  
JASON LINDGREN, CITY CLERK

APPROVED AS TO FORM:



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JONATHAN P. HOBBS,  
CITY ATTORNEY

**CERTIFICATION  
ELK GROVE CITY COUNCIL RESOLUTION NO. 2016-207**

STATE OF CALIFORNIA        )  
COUNTY OF SACRAMENTO    )        SS  
CITY OF ELK GROVE         )

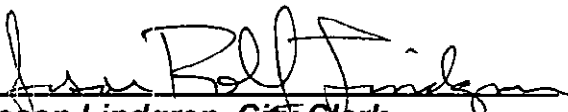
*I, Jason Lindgren, City Clerk of the City of Elk Grove, California, do hereby certify that the foregoing resolution was duly introduced, approved, and adopted by the City Council of the City of Elk Grove at a regular meeting of said Council held on October 26, 2016 by the following vote:*

**AYES :**        **COUNCILMEMBERS:**        *Davis, Ly, Detrick, Hume, Suen*

**NOES:**        **COUNCILMEMBERS:**        None

**ABSTAIN :**    **COUNCILMEMBERS:**        None

**ABSENT:**     **COUNCILMEMBERS:**        None

  
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**Jason Lindgren, City Clerk  
City of Elk Grove, California**