

1 RESOLUTION NO. _____

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3 A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF
4 RIALTO, CALIFORNIA, MEMORIALIZING AND AUTHORIZING A
5 SHORT-TERM LOAN FROM THE CITY'S GENERAL FUND TO
6 THE PARK DEVELOPMENT FUND IN AN AMOUNT NOT TO
7 EXCEED \$17,499,195 AND AMENDING ITS 2018-2019 FISCAL
8 BUDGET FOR THE FRISBIE PARK EXPANSION.

9 WHEREAS, the City of Rialto ("City") is a municipal corporation organized and operating
10 under the laws of the State of California;

11 WHEREAS, the City maintains the Park Development Fund as special revenue fund for
12 the purpose of increasing the supply of parks and open space to accommodate population
13 growth in the community

14 WHEREAS, the City of Rialto is currently planning the construction of an expansion to
15 Frisbie Park ("Frisbie Park Expansion") by improving undeveloped areas of the park to serve
16 new residents, and by improving portions of the existing park to serve all current and future
17 residents, at an approximate cost of \$20,114,017;

18 WHEREAS, the City desires to loan funds from its General Fund reserves, in lieu of
19 obtaining third party financing, to the Park Development Fund for the purpose of carrying out the
20 Frisbie Park Expansion (the "Inter-Fund Loan"), to include just that portion that serves new
21 residents and complies with the requirements of Section 3.33 (Development Impact Fees) of the
22 Rialto Municipal Code.;

23 WHEREAS, although the City will eventually receive funding from development impact
24 fees to repay the General Fund, the payments are not immediate;

25 WHEREAS, as a result, the City is required to pay for the costs of the Frisbie Park
26 Expansion from before adequate funding exists in the Park Development Fund; and
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1 **WHEREAS**, to cover the funding required, the City desires to authorize the borrowing of
2 up to \$17,499,195 from the General Fund, which funds shall be promptly repaid based on the
3 schedule set forth herein.

4 **WHEREAS**, the budget for fiscal year 2018-2019 of the City of Rialto has been adopted
5 by this Council in its original form, and said budget will need to be amended at times to fulfill
6 the goals of the City; and

7 **WHEREAS**, the City departments may not exceed their appropriations by character of
8 expense, with character of expense being defined as personnel services, services and
9 supplies, capital outlay, debt service and transfers, without the consent of the City
10 Administrator; and

11 **WHEREAS**, the City Administrator may transfer appropriations, between departments
12 and within their respective funds, as long as those appropriations do not exceed their fund total
13 unless approved by Council.

14 **NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF RIALTO DOES HEREBY**
15 **FIND, DETERMINE, AND RESOLVE AS FOLLOWS:**

16 **Section 1. Recitals Incorporated.** The Recitals are true and correct and are
17 incorporated into this Agreement by this reference.

18 **Section 2. Inter-Fund Loan.** On or after February 12, 2019, the General Fund shall
19 provide for the Inter-Fund Loan on the terms specified below to the Park Development Fund to
20 the extent necessary to fund the Frisbie Park Expansion but in an amount that is to not exceed
21 Seventeen Million Four Hundred Ninety-Nine Thousand One Hundred Ninety-Five and 00/100
22 Dollars (\$17,499,195). This amount is based upon the reasonable expected cost of the Frisbie
23 Park Expansion as determined by the City's Public Works Department. All inter-fund loans shall
24 be tracked by the City's Finance Department. The funds may only be used for costs associated
25 with the Frisbie Park Expansion.

26 **Section 3. Repayment.** The Park Development Fund agrees to repay the Inter-Fund
27 Loan Amount, with no interest, as Park Development Funds become available and as directed
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1 by the City Council. The Inter-Fund Loan is a non-interest bearing loan due to the unknown
2 timing and availability of Park Development Funds.

3 **Section 4. Subordination.** The indebtedness hereunder and under current and future
4 Inter-Fund loans shall be junior and subordinate to (i) all existing and future bonds, loans or other
5 direct indebtedness of the General Fund; (ii) all existing and future financial agreements and
6 other contractual obligations of the General Fund; and (iii) all operations and maintenance costs
7 of the General Fund.

8 **Section 5. Additional Debt.** The Park Development Fund may incur indebtedness
9 which is superior, on a parity or subordinate to the Inter-Fund Loan. In the absence of an express
10 determination by the General Fund to the contrary, any such indebtedness shall be superior to
11 the Inter-Fund Loan.

12 **Section 6. Prepayment.** The Park Development Fund may prepay any Inter-Fund Loan
13 without penalty at any time during the term of the Inter-Fund Loan.

14 **Section 7. Binding Resolution.** This Resolution shall constitute the entire
15 understandings related to the Inter-Fund Loan. Except as otherwise provided, this Resolution
16 may be modified or amended only by an amendment approved by the City Council.

17 **Section 8. Non-Liability of City Officials, Officers, and Employees.** No officer,
18 official, employee, agent, representative, or volunteer of the City shall be personally liable for
19 any amount which may become due to the City hereunder.

20 **Section 9. Termination of Loan.** This Loan shall continue in full force and effect until
21 the obligations of the Park Development Fund shall terminate on written notice by either party of
22 such termination with approval of City Council or payment in full of the Inter-Fund Loan,
23 whichever occurs first.

24 **Section 10:** Approve a budget amendment to reduce appropriation in the General
25 Fund Account No. 300-500-8150-3001-150304-22 for (\$931,695) for the Frisbie Park
26 Expansion.
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1 **Section 11:** Approve a budget amendment appropriating in the Park Development
2 Impact Fund Account No. 210-500-4750-3001-150304-05 for \$931,695 for the Frisbie Park
3 Expansion.

4 **Section 12:** Approve a budget amendment appropriating in the General Fund Account
5 No. 300-500-8150-5020 to record the interfund transfer of funds in the amount of \$17,499,195
6 for the Frisbie Park Expansion.

7 **Section 13:** Approve a budget amendment appropriating in the Park Development
8 Impact Fund Account No. 210-400-4750-9010 to record the interfund transfer of funds in the
9 amount of \$17,499,195 for the Frisbie Park Expansion.

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WHEREFORE, this Resolution is passed, approved and adopted this ____ day of _____, 2019.

DEBORAH ROBERTSON, Mayor

ATTEST:

BARBARA A. McGEE, City Clerk

APPROVED AS TO FORM:

FRED GALANTE, Esq., City Attorney

1 **STATE OF CALIFORNIA**)
2 **COUNTY OF SAN BERNARDINO**) ss
3 **CITY OF RIALTO**)

4 I, Barbara A. McGee, City Clerk of the City of Rialto, do hereby certify that the foregoing
5 Resolution No. _____ was duly passed and adopted at a regular meeting of the City Council
6 of the City of Rialto held on the ____ day of _____, 2019.

7 Upon motion of Councilmember _____, seconded by Councilmember
8 _____, the foregoing Resolution No. _____ was duly passed and adopted.

9 Vote on the motion:

10 AYES:

11 NOES:

12 ABSENT:

13 IN WITNESS WHEREOF, I have hereunto set my hand and the Official Seal of the City
14 of Rialto this _____ day of _____, 2019.

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17 _____
18 BARBARA A. MCGEE, CITY CLERK
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