

RESOLUTION NO. 2011-114

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ROHNERT PARK
AUTHORIZING A SHORT-TERM INTERFUND LOAN FROM THE TRAFFIC
SIGNAL FUND TO THE GENERAL FUND**

WHEREAS, due to the State's fiscal crisis, the State implemented a mechanism known as the "Triple Flip" to swap sales tax and motor vehicle in-lieu fees for property tax in order to balance their budget; and

WHEREAS, the "Triple Flip" hindered the City's cash flow by changing the timing of the sales tax and motor vehicle in-lieu tax from monthly payments to two installments – one in December and one in April, combined with the property tax payments; and

WHEREAS, the City had sufficient unrestricted reserves to bridge this gap in prior years, but has been drawing down reserves to address the annual structural deficits; and

WHEREAS, the City has significantly closed the structural gap in Fiscal Year 2012, but no longer has sufficient reserves to bridge the cash flow shortfall created by the "Triple Flip"; and

WHEREAS, California Constitution Article XVI Section 6, authorizes the temporary transfer of funds for meeting the obligations incurred for maintenance purposes by any local agency; and

WHEREAS, the Traffic Signal Fund has available cash for a short-term borrowing.


NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Rohnert Park that it does hereby authorize and approve the borrowing from the Traffic Signal Fund of an amount not to exceed \$1.5 million. Interest will accrue at the current Local Agency Investment Fund (LAIF) rate and principal plus accrued interest will be repaid within sixty days of the transfer date.

BE IT FURTHER RESOLVED that the City Manager is hereby authorized and directed to make the interfund loan in an amount not to exceed \$1.5 million.

DULY AND REGULARLY ADOPTED this 22nd day of November, 2011.

CITY OF ROHNERT PARK

ATTEST:



City Clerk, Acting





Mayor

AHANOTU: <u>AYE</u>	CALLINAN: <u>ABSENT</u>	MACKENZIE: <u>AYE</u>	STAFFORD: <u>AYE</u>	BELFORTE: <u>AYE</u>
AYES: (4)	NOES: (0)	ABSENT: (1)	ABSTAIN: (0)	