

**RESOLUTION NO. 2014-180**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ELK GROVE AUTHORIZING AN EXCEPTION TO THE MAXIMUM TEN YEAR TERM IN THE INTER-FUND LOAN POLICY AND APPROVING AN INTER-FUND LOAN AGREEMENT OF \$4,750,000 FROM THE CAPITAL RESERVE FUND TO THE STREETLIGHT MAINTENANCE DISTRICT ZONE 1 OF \$4,275,000 AND TO STREETLIGHT MAINTENANCE DISTRICT ZONE 2 OF \$475,000, FOR AN ELEVEN YEAR TERM FOR THE LED STREETLIGHT REPLACEMENT CAPITAL PROJECT**

**WHEREAS**, the City is in partnership with SMUD to replace a majority of the City's HPS streetlights with LED lights; and,

**WHEREAS**, SMUD will provide energy efficiency incentives of approximately \$250,000 to \$300,000; and,

**WHEREAS**, the LED Streetlight Replacement project is programmed in the 2014-19 Capital Improvement Program to be completed in December 2014; and,

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

**WHEREAS**, the Inter-Fund Loan Policy has a maximum term of ten years; and

**WHEREAS**, the LED Streetlight Replacement project is self-financed by annual cost savings; and

**WHEREAS**, the estimated cost savings of \$440,000 will be able to repay the inter-fund loan within 11 years; and

**WHEREAS**, the interest rate is variable, tied to Local Agency Investment Fund (LAIF); and

**WHEREAS**, the initial rate used in schedule of repayment is .228% which is the June 2014 LAIF rate; and

**WHEREAS**, the Capital Reserve Fund (106) 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 of \$4,750,000 from the Capital Reserve Fund (106) to SLMD Zone 1 (267) of \$4,275,000 and to SLMD Zone 2 (268) of \$475,000; and

**BE IT FURTHER RESOLVED** that the City Council of the City of Elk Grove hereby authorizes an exception to the 10 year maximum term for inter-fund borrowing allowing for an 11 year term ending in Fiscal Year 2025-26.

**CERTIFICATION  
ELK GROVE CITY COUNCIL RESOLUTION NO. 2014-180**

**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 August 27, 2014 by the following vote:***

**AYES :            COUNCILMEMBERS:        Davis, Cooper, Detrick, Hume, Trigg**

**NOES:            COUNCILMEMBERS:        None**

**ABSTAIN :        COUNCILMEMBERS:        None**

**ABSENT:         COUNCILMEMBERS:        None**

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