

RESOLUTION NUMBER 5209

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PERRIS, CALIFORNIA, APPROVING PREPAYMENT OF THE CALIFORNIA INFRASTRUCTURE AND ECONOMIC DEVELOPMENT BANK LOAN PRINCIPAL AND INTEREST FROM THE SEWER ENTERPRISE FUND

WHEREAS, the City of Perris entered into an Enterprise Fund Installment Sale Agreement with California Infrastructure and Economic Development Bank (“CIEDB”) to fund capital improvements for the City’s sewer system on July 23, 2002; and

WHEREAS, the Enterprise Fund Installment Sale Agreement debt service payments will continue through February 1, 2032 and the future interest expense incurred by the Sewer Fund will be approximately \$229,000, which is paid by the collection of customer fees; and

WHEREAS, the City’s Sewer Fund has sufficient uncommitted fund balance of approximately \$1.7 million to pay the current principal on the CIEDB loan of \$887,049 plus any accrued interest and fees; and

WHEREAS, the City’s Sewer Fund will have a remaining uncommitted fund balance of approximately \$800,000 for operations and the continued collection of the infrastructure replacement fee (currently \$2.91 per month per customer) will provide the Sewer Fund protection against major upgrade costs and customer rate increases in the near future; and

WHEREAS, the Enterprise Fund Installment Sale Agreement allows the City to prepay the loan amount due after providing CIEDB a 60-day notice of intent to prepay.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Perris:

Section 1. The foregoing recitals are true and correct and incorporated herein by reference.

Section 2. The City of Perris shall establish a capital improvement and repair fund to set aside collections of the \$2.91 fee after all amounts due for debt service are paid. The fund will be restricted for capital improvements to the sewer system.

Section 3. 60-day notice of intent to prepay the loan shall be provided to CIEDB in December 2017 and the City Council authorizes payment in full of the principal and accrued interest and fees thereafter from the Sewer Fund.

Section 4. The City of Perris Sewer Fund has sufficient unrestricted fund balance available for a loan payoff of \$887,049 + interest and fees.

Section 5. The City Clerk shall certify as to the adoption of this Resolution.

ADOPTED, SIGNED, and APPROVED this 12th day of December, 2017.

Mayor, Michael Vargas

ATTEST:

Nancy Salazar, City Clerk

STATE OF CALIFORNIA)
COUNTY OF RIVERSIDE) §
CITY OF PERRIS)

I, Nancy Salazar, CITY CLERK OF THE CITY OF PERRIS, CALIFORNIA, DO HEREBY CERTIFY that the foregoing Resolution Number 5209 was duly and regularly adopted by the City Council of the City of Perris at a regular meeting held on the 12th day of December, 2017, by the following vote:

AYES: ROGERS, BURKE, CORONA, RABB, VARGAS
NOES: NONE
ABSENT: NONE
ABSTAIN: NONE

Nancy Salazar, City Clerk