

A JOINT RESOLUTION OF THE MILPITAS REDEVELOPMENT AGENCY AND THE CITY COUNCIL OF THE CITY OF MILPITAS MEMORIALIZING THE INTERFUND ADVANCE OR LOAN POLICY

WHEREAS, the City of Milpitas ("City") and the Redevelopment Agency ("Agency") wish to formally memorialize the policy for the terms, conditions and requirements for advances or loans made between different City and Agency funds; and

WHEREAS, this policy shall apply to both past and future interfund advances or loans, absent specific direction to the contrary by the Agency Board or the City Council.

NOW, THEREFORE, the City Council of the City of Milpitas and the Board of Directors of the Redevelopment Agency of the City of Milpitas hereby find, determine, and resolve as follows:

1. The recitals set forth above are true and correct and incorporated herein by reference.
2. Interfund loan or advance transactions shall be subject to the following terms and conditions:
 - a. The amount of the advanced or borrowed principal shall be kept on file by the Director of Finance or his or her designee.
 - b. The term of the interfund advance or loan shall be twenty (20) years from the effective date of the authorized transaction.
 - c. The outstanding principal balance of the advance or loan shall accrue interest at the fixed rate of five percent (5%) simple interest per year. Interest shall not compound from year to year.
 - d. Principal and accrued interest shall be payable on demand within thirty (30) days after demand is made by the loaning agency to the borrowing agency, or if no demand is made, on the maturity date (i.e., after the end of the twenty-year period).
 - e. Borrowing agency may, without premium or penalty, at any time and from time to time, prepay all or any portion of the outstanding principal balance due. Any partial prepayments shall be applied first to accrued but unpaid interest and then to principal.

PASSED AND ADOPTED this 7TH day of April 2009, by the following vote:

AYES: (5) Chair/Mayor Livengood, Vice Chair/Vice Mayor McHugh, and Agency Members/Councilmembers Giordano, Gomez and Polanski

NOES: (0) None

ABSENT: (0) None

ABSTAIN: (0) None

ATTEST:

APPROVED:



Mary Lavelle, Agency Secretary/City Clerk



Robert Livengood, Chair/Mayor

APPROVED AS TO FORM:



Michael J. Ogaz, Agency Counsel/City Attorney