

RESOLUTION 14-15.*

A RESOLUTION RESCINDING RESOLUTION 09-10-20 AND RESTATING THE USE OF FUNDS ORIGINALLY DEPOSITED TO THE HIGHWAY RELINQUISHMENT FUND.

WHEREAS, on March 17, 2003, the City of Sutter Creek, “City”, and the State of California, “State”, entered into a Relinquishment Agreement, “Agreement”, as shown in Attachment A, whereby the State agreed to pay the City a lump sum payment of \$3,049,600 to satisfy the State’s obligation to place the highway in a state of good repair and the City agreed to accept the lump sum payment as the State’s total responsibility for the purpose of relinquishing the highway to the City; and

WHEREAS, the City agreed to accept ownership, maintenance, operation, and liability of the relinquished highway, for payment of the \$3,049,600; and

WHEREAS, in accepting the relinquished highway, the City agrees that it is the City’s responsibility to maintain the roadway as it deems appropriate; and

WHEREAS, the City initially held the \$3,049,600 in a separate fund, however, beginning in 2007 the City began experiencing extreme financial difficulty associated with the national and local economic recession with the outcome of significantly reduced revenues. The severe economic downturn and associated revenue reductions caused the City financial hardship compelling the use of said funds to offset expenses in other funds to continue operations and capital improvements of the City; and

WHEREAS, on March 15, 2010, the City adopted Resolution 09-10-20 eliminating the need for the following funds to repay the relinquishment fund since they would be unable to generate the revenue required to repay the deficit; and

Fund 17 Monte Verde Store	\$ 16,602.56
Fund 23 General Replacement Fund	28,304.00
Fund 57 HOME Grant Fund	10,901.58
Fund 58 Pool Refurbishment Project	18,665.06
Fund 59 Community Center Project	<u>104,799.35</u>
TOTAL	\$179,272.55

WHEREAS, also in Resolution 09-10-20 the City determined that the following funds would repay the relinquishment fund as resources became available; and

Fund 01 the General Fund	\$ 882,448.39
Fund 16 the Sutter Hill Drainage Project	102,168.63
Fund 19 Knights Foundry	15,174.07
Fund 42 AB1600	28,724.62
Fund 44 Central Eureka Mine	141,990.74
Fund 55 Bridge Replacement Project	354,559.00
Broad Street Storm Drain Project 2010	<u>200,000.00</u>
TOTAL	\$1,725,065.00

WHEREAS, subsequently after Resolution 09-10-20 was passed, the City used additional monies in the following amounts:

Fund 01 the General Fund	\$ 351,761.00
Capital Projects Fund	76,958.00
Fund 44 Central Eureka Mine	54,457.00
Noble Ranch Golf Fund	51,022.00
Caltrans Street and Road Fund	38,481.00
Badger Street Bridge Grant Fund	38,976.00
Police Grants Fund	22,700.00
RDA Formation Fund	<u>13,393.00</u>
TOTAL	\$ 647,775.00

WHEREAS, the City initially believed that there was a requirement to repay the inter-fund loans; and

WHEREAS, on January 23, 2013, the City Attorney submitted a letter to the City Manager, Attachment B, which concludes, after researching the Streets and Highways Code Section 73 and analyzing the Agreement, that the City is not required to pay the inter-fund loans back to the relinquishment fund because neither State law or the Agreement place restrictions on how the funds are or were to be spent.

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

SECTION 1. Resolution 09-10-20 is hereby rescinded, and

SECTION 2. The following receiving funds which received monies from the relinquishment fund as inter-fund loans and which were previously determined by the City Council to be unable to generate revenue to repay the deficit Fund balance are hereby absolved from repayment of said inter-fund loans to the relinquishment fund:

Fund 17 Monte Verde Store	\$ 16,602.56
Fund 23 General Replacement Fund	28,304.00
Fund 57 HOME Grant Fund	10,901.58
Fund 58 Pool Refurbishment Project	18,665.06
Fund 59 Community Center Project	<u>104,799.35</u>
TOTAL	\$179,272.55

SECTION 3. The following receiving funds which previously received monies from the relinquishment fund as inter-fund loans are hereby absolved from repayment of said inter-fund loans to the relinquishment fund:

Fund 01 the General Fund	\$ 882,448.39
Fund 16 the Sutter Hill Drainage Project	102,168.63
Fund 19 Knights Foundry	15,174.07
Fund 42 AB1600	28,724.62
Fund 44 Central Eureka Mine	141,990.74
Fund 55 Bridge Replacement Project	354,559.00
Broad Street Storm Drain Project 2010	<u>200,000.00</u>
TOTAL	\$1,725,065.00

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Badger Street Bridge Grant Fund	38,976.00
Police Grants Fund	22,700.00
RDA Formation Fund	<u>13,393.00</u>
TOTAL	\$ 647,775.00
GRAND TOTAL	\$2,552,112.55

SECTION 4. The City Council of the City of Sutter Creek will use the remaining relinquishment funds as it deems necessary and prudent in its duty to promote and further the well being and best interests of the community.

The foregoing resolution was duly passed and adopted at a regular meeting of the City Council of the City of Sutter Creek on the ___ day of December, 2014, by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

THE CITY OF SUTTER CREEK

Robin Peters, Mayor

ATTEST:

Natalie Doyle, City Clerk