



Report to City Council

TO: Mayor and City Council

FROM: Dena Heald, Chief Financial Officer/City Treasurer

AGENDA DATE: June 17, 2025

TITLE: LOAN AGREEMENT BETWEEN THE CITY OF MORENO VALLEY FACILITIES REPLACEMENT RESERVE FUND AND THE CITY OF MORENO VALLEY PARK IMPROVEMENTS DEVELOPMENT IMPACT FEE FUND (RESO. NO. 2025-XX) (REPORT OF: FINANCIAL & MANAGEMENT SERVICES) (ALL DISTRICTS)

TITLE SUMMARY: Adopt a Resolution Authorizing a Loan Agreement with the City of Moreno Valley Facilities Replacement Reserve Fund and the Park Improvements DIF Fund.

DISTRICT: All Districts

Recommendation(s)

That the City Council:

1. Adopt Resolution No. 2025-____, a Resolution of the City Council of the City of Moreno Valley, California, authorizing a loan agreement between the City of Moreno Valley Facilities Replacement Reserve Fund and the Park Improvements Development Impact Fee Fund (herein the "Parks DIF").

SUMMARY

Staff recommends the City Council adopt the proposed Resolution approving an interfund transfer Loan Agreement between the City of Moreno Valley Facilities Replacement Reserve Fund and Parks DIF Fund in the amount of \$5,551,006.

DISCUSSION

On November 19, 2024, City Council authorized an interfund transfer loan from the Facilities Replacement Fund to the Parks DIF Fund to fund a portion of the Gateway Park and Pump Track site improvement construction costs. The authorized loan amount was \$5,551,006 (Gateway Park - \$686,640 and Pump Track - \$4,864,366).

The Resolution would authorize an interfund transfer Loan Agreement from the City's Facilities Replacement Reserve Funds (7330) to Parks DIF Fund (2905) in the amount of \$5,551,006. This will also allow for a budget appropriation to the PCS Capital Projects Construction Fund (3015) to assist with the insufficient fund balance needed for Park improvements.

The City Council has approved the levy of a fee to mitigate the impacts of new development on various public facilities pursuant to the California Mitigation Fee Act. These fees are collected and recorded in separate funds pending the allocation of available funds for capital projects or to replay interfund loan transfer advancements.

The Loan Agreement would establish the action to repay the Facilities Replacement Reserve Fund with future revenue collected in the Parks DIF Fund (2905). The term of the Loan Agreement will remain in effect until the balance of the loan is extinguished and repaid in full. The loan repayment will occur as DIF revenues are received and available.

ALTERNATIVES

1. Adopt proposed resolution approving the Loan Agreement authorizing an interfund transfer from the Facilities Replacement Reserve Fund to the Park Improvements DIF Fund (\$5,551,006). *Staff recommends this alternative because this authorizes the recordation of the loan amounts to address current cash balances in this fund and allows the City to remain in compliance with Generally Accepted Accounting Principles.*
2. Do not adopt proposed resolution approving the Loan Agreement and provide staff with other directions. *Staff does not recommend this alternative because it will not address the current cash balance in this fund and the City's financial statements may not comply with Generally Accepted Accounting Principles.*

FISCAL IMPACT

The total loan amount of \$5,551,006 received from the Facilities Replacement Reserve Fund (7330) to Parks DIF Fund (2905) will fund the revitalization of Gateway Park and the Pump Track site improvements.

Description	Fund	GL Account No.	Type (Rev/ Exp)	FY24/25 Budget	Proposed Adjustments	FY 24/25 Amended
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						Budget
Transfer to: PCS Cap Project (Park Imprvmnts)	7330	7330-99-99-97330-903015	Exp	\$4,864,366	(\$4,864,366)	\$0
Transfer In: Facilities Replacement Reserve	3015	3015-99-99-93015-807330	Rev	\$4,864,366	(\$4,864,366)	\$0
Transfer to: PCS Cap Project (Park Imprvmnts)	2905	2905-99-95-92905-903015	Exp	\$0	\$4,864,366	\$4,864,366
Transfer In: from DIF-Park Improvements	3015	3015-99-99-93015-802905	Rev	\$0	\$4,864,366	\$4,864,366
Transfer to: PCS Cap Project (Park Imprvmnts)	7330	7330-99-99-97330-903015	Exp	\$686,640	(\$686,640)	\$0
Transfer In: Facilities Replacement Reserve	3015	3015-99-99-93015-807330	Rev	\$686,640	(\$686,640)	\$0
Transfer to PCS Cap Project (Park Imprvmnts)	2905	2905-99-95-92905-903015	Exp	\$0	\$686,640	\$686,640
Transfer In: from DIF-Park Improvements	3015	3015-99-99-93015-802905	Rev	\$0	\$686,640	\$686,640

As Development Impact Fee revenues are received, they will be applied to the remaining loan balance to reduce the outstanding loan amount for this fund. There is no impact to the General Fund.

NOTIFICATION

Publication of the agenda

PREPARATION OF STAFF REPORT

Prepared By:
Felicia London
Deputy Finance Director

Department Head Approval:
Dena Heald
Chief Financial Officer/City Treasurer

CITY COUNCIL GOALS

None

CITY COUNCIL STRATEGIC PRIORITIES

1. Economic Development
2. Public Safety
3. Library
4. Infrastructure
5. Beautification, Community Engagement, and Quality of Life
6. Youth Programs

Report Approval Details

Document Title:	STAFFREPORT_FMS_GATEWAY PARK-PUMP_TRACK DIF LOAN.docx
Attachments:	- Resolution 2025-____.docx - Exhibit A - Loan Agreement.docx
Final Approval Date:	Jun 10, 2025

This report and all of its attachments were approved and signed as outlined below:

Natalia Lopez

Dena Heald

Launa Jimenez

Brian Mohan

Patty Rodriguez