

**RESOLUTION NO. 25-4884**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MURRIETA, CALIFORNIA, TO APPROVE AN INTERFUND LOAN UP TO \$3,500,000 FROM THE MEASURE T FUND TO THE LIBRARY DEVELOPMENT IMPACT FEE FUND TO PARTIALLY FUND THE CHILDREN'S LIBRARY EXPANSION PROJECT (CIP NO. 21027).**

**WHEREAS**, the City owns and operates the Murrieta Public Library facility (the "Library"); and

**WHEREAS**, the City desires to do various improvements to the library, including the Children's Library Expansion Project; and

**WHEREAS**, the City maintains the Library Development Impact Fund as a special fund for development impact fees received from developers pursuant to Resolution No. 98-612 and Municipal Code 16.36 for the purpose of providing funds to improve the library, including the Project; and

**WHEREAS**, the Library Development Impact Fund does not have sufficient funds to fund the entire project; and

**WHEREAS**, the City desires to loan and transfer \$3.5 million from its Measure T Fund reserves, in lieu of obtaining third-party financing, to the Library DIF Fund for the purpose of carrying out the Project; and

**WHEREAS**, the City proposes to charge interest at a rate of one percent (1%) per annum for the Inter-Fund Loan; and

**WHEREAS**, the Inter-Fund Loan serves a public purpose by ensuring the continued enhancement and improvement of the Library to the benefit of the City's constituents.

**NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF MURRIETA, CALIFORNIA, DOES HEREBY RESOLVE AS FOLLOWS**

**Section 1.** That the City Council of the City of Murrieta hereby approves the \$3.5 million Inter-Fund loan (Exhibit A) from the Measure T Fund to the Library Development Impact Fee Fund for the Children's Expansion.

**Section 2.** That the Inter-Fund Loan terms are \$3.5 million loan amortized over thirty years with interest accruing at one percent (1%).

**Section 3.** That the City Manager or designee is authorized to administer the loan and the planned schedule of repayment.

**PASSED AND ADOPTED** this 19 day of August, 2025.

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Cindy Warren, Mayor

ATTEST:

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Cristal McDonald, City Clerk

APPROVED AS TO FORM:

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Tiffany Israel, City Attorney

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

I, Cristal McDonald, City Clerk of the City of Murrieta, California, do hereby certify that the foregoing Resolution No. 25-4884 was duly passed and adopted by the City Council of the City of Murrieta at the regular meeting thereof, held on the 19 day of August, 2025, and was signed by the Mayor of the said City, and that the same was passed and adopted by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

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Cristal McDonald, City Clerk

## EXHIBIT A

### INTER-FUND TRANSFER/ LOAN AGREEMENT

This INTER-FUND TRANSFER/ LOAN AGREEMENT ("Agreement") is entered into this 19 day of August, 2025, by and among the Measure T Fund (Fund No.111) ("Measure T Fund") and the Library Development Impact Fee Fund (Fund No. 131) ("Library DIF Fund") of the City of Murrieta (the "City"), each of which has a separate and distinct source of income, to wit, the Measure T Fund is funded by Sales & Use Tax, and the Library DIF Fund is a special fund and is funded by fees paid by developers in connection with development projects pursuant to Resolution No. 98-612 and Municipal Code 16.36 provides that the amount of the DIF fee shall be established by resolution.

### RECITALS

A. The City owns and operates the Murrieta Public Library facility (the "Library"). The City desires to do various improvements to the library, including the Children's Library Expansion Project (the "Project").

B. The City maintains the Library DIF Fund as a special fund for development impact fees received from developers pursuant to Resolution No. 98-612 and Municipal Code 16.36 for the purpose of providing funds to improve the library, including the Project.

C. The City now desires to construct the Project, as more particularly described in Exhibit A hereto, that is funded from the Library DIF Fund; however, there are insufficient funds in the Library DIF Fund to fund the entire Project.

D. The City desires to loan and transfer funds from its Measure T Fund reserves, in lieu of obtaining third-party financing, to the Library DIF Fund for the purpose of carrying out the Project (the "Inter-Fund Loan").

E. The City proposes to charge interest at a rate of one percent (1%) per annum for the Inter-Fund Loan. This interest rate is less than the rate the City would pay if it were to finance the Project from outside sources because the current market interest rate for municipal bonds and/or certificates of participation is approximately 5.5% per annum.

F. The Inter-Fund Loan serves a public purpose by ensuring the continued enhancement and improvement of the Library to the benefit of the City's constituents.

### COVENANTS

Based upon the foregoing Recitals and for good and valuable consideration, the receipt and sufficiency of which is acknowledged by both parties, the Measure T Fund and the Library DIF Fund hereby agree as follows:

1. Recitals Incorporated.

The Recitals are true and correct and are incorporated into this Agreement by this reference.

2. Inter-Fund Loan.

On or after August, 2025, the Measure T Fund may provide for inter-fund loans on the terms specified below to the Library DIF Fund to the extent necessary to fund the Project but in an amount that is to not exceed \$3,500,000. This amount is based upon the reasonable expected cost of the Project as determined by the anticipated project bid & management costs. All inter-fund loans shall be tracked by the City's Finance Department. The funds may only be used for costs associated with the Project.

3. Repayment.

The Library DIF Fund agrees to repay the Inter-Fund Loan Amount, with interest accruing at 1% amortized over thirty 30 years beginning on or after July 1, 2026, as provided in the Payment Schedule attached hereto as Exhibit B (the "Schedule"). The Inter-Fund Loan shall be payable out of funds deposited in the Library DIF Fund. In the event that the Library DIF Fund lacks sufficient funds to make payment as provided in the Schedule, then the amount shall be payable from the next available revenues of the Library DIF Fund. Delinquent amounts shall bear interest at the same rate as the Inter-Fund Loan.

4. Additional Debt.

The Library DIF Fund may incur indebtedness which is superior, on a parity or subordinate to the Inter-Fund Loan. In the absence of an express determination by the Library DIF Fund to the contrary, any such indebtedness shall be superior to the Inter-Fund Loan.

5. Prepayment.

The Library DIF Fund may prepay any Inter-Fund Loan without penalty at any time during the term of the Inter-Fund Loan.

6. Entire Agreement; Amendment.

This Agreement shall constitute the entire agreement related to the Inter-Fund Loan. Except as otherwise provided, this Agreement may be modified or amended only by an agreement approved by the City Council.

7. Non-Liability of City Officials, Officers, and Employees.

No officer, official, employee, agent, representative, or volunteer of the City shall be personally liable for any amount that may become due to the City hereunder.

8. Termination of Agreement.

This Agreement shall continue in full force and effect for a period of, and the obligations of the Library DIF Fund shall terminate on written notice by either party of such termination or payment in full of the Inter-Fund Loan, whichever occurs first.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement to be effective as of the date and year first written above.

CITY OF MURRIETA (MEASURE T FUND)

By: \_\_\_\_\_  
Cindy Warren, Mayor

ATTEST:

\_\_\_\_\_  
Cristal McDonald, City Clerk

APPROVED AS TO FORM:

ALESHIRE & WYNDER, LLP

By: \_\_\_\_\_  
Tiffany Israel, City Attorney

CITY OF MURRIETA (LIBRARY DIF FUND)

By: \_\_\_\_\_  
Cindy Warren, Mayor

ATTEST:

\_\_\_\_\_  
Cristal McDonald, City Clerk

**Exhibit A**  
Project

Project Description: The proposed project will complete the original plans and final build-out of the Library in the current garden area. The Children's section will be expanded, and a large storytime room will be added that can hold various programs and accommodate events for the community.

**Exhibit B**  
**Schedule**

**City of Murrieta**  
**Payment Loan Schedule**

Interfund Loan Amount: 3,500,000  
Annual Interest Rate: 1.0%  
Loan Terms (Years): 30  
Interfund Loan From Measure T Fund to Library DIF Fund

Year	Annual Payment	Interest	Principal	Remaining Balance
1	135,618.40	35,000.00	100,618.40	3,399,381.60
2	135,618.40	33,993.82	101,624.58	3,297,757.02
3	135,618.40	32,977.57	102,640.83	3,195,116.20
4	135,618.40	31,951.16	103,667.23	3,091,448.96
5	135,618.40	30,914.49	104,703.91	2,986,745.06
6	135,618.40	29,867.45	105,750.95	2,880,994.11
7	135,618.40	28,809.94	106,808.46	2,774,185.66
8	135,618.40	27,741.86	107,876.54	2,666,309.12
9	135,618.40	26,663.09	108,955.31	2,557,353.81
10	135,618.40	25,573.54	110,044.86	2,447,308.95
11	135,618.40	24,473.09	111,145.31	2,336,163.65
12	135,618.40	23,361.64	112,256.76	2,223,906.89
13	135,618.40	22,239.07	113,379.33	2,110,527.56
14	135,618.40	21,105.28	114,513.12	1,996,014.44
15	135,618.40	19,960.14	115,658.25	1,880,356.19
16	135,618.40	18,803.56	116,814.83	1,763,541.35
17	135,618.40	17,635.41	117,982.98	1,645,558.37
18	135,618.40	16,455.58	119,162.81	1,526,395.56
19	135,618.40	15,263.96	120,354.44	1,406,041.12
20	135,618.40	14,060.41	121,557.99	1,284,483.13
21	135,618.40	12,844.83	122,773.56	1,161,709.57
22	135,618.40	11,617.10	124,001.30	1,037,708.27
23	135,618.40	10,377.08	125,241.31	912,466.95
24	135,618.40	9,124.67	126,493.73	785,973.23
25	135,618.40	7,859.73	127,758.66	658,214.56
26	135,618.40	6,582.15	129,036.25	529,178.31
27	135,618.40	5,291.78	130,326.61	398,851.70
28	135,618.40	3,988.52	131,629.88	267,221.82
29	135,618.40	2,672.22	132,946.18	134,275.64
30	135,618.40	1,342.76	134,275.64	-