

RESOLUTION NO. 2024-35

A Resolution authorizing an interfund loan from the Wastewater Capital Fund to the General Fund for Capital Investments.

RECITALS:

Whereas, Oregon Local Budget Law allows a local government to loan money from one fund to another, provided the loan is authorized by an official resolution of the governing body (ORS 294.468); and

Whereas, this resolution authorizes a loan from the Wastewater Capital Fund to the General Fund for purposes of capital purchases as listed in Exhibit A; and

Whereas, all of these internal borrowings are included in the FY2024-25 Approved Budget for the City of McMinnville, as voted on by the Budget Committee on May 23, 2024, and in the proposed FY2024-25 Adopted Budget before the Council on June 25, 2024; and

Whereas, pursuing internal borrowing for these capital outlays has both a lower actual cost and transaction cost for the General Fund compared to a commercial lease arrangement; and

Whereas, the Wastewater Capital Fund has reserve funds available to loan to the General Fund; and

Whereas, as provided for in ORS 294.468, this resolution authorizes an interfund loan of no greater than a total of \$606,760 from the Wastewater Capital Fund to the General Fund for the capital investments listed in Exhibit A; and

Whereas, ORS 294.468 requires that an interfund loan to acquire a capital asset be repaid in full within 10 years of the date of the loan; and

Whereas, the capital equipment and vehicle assets to be purchased have a useful life of five to ten years; and

Whereas, the capital building projects on existing city facilities have a useful life of up to twenty years; and

Whereas, all loans will be made for five-year terms with a rate of interest on the loan is set at 5.70% per annum, a rate of return that exceeds the current interest rate for funds invested in the local government investment, 5.20% as of February 1, 2024; and

Whereas, a loan repayment schedule under which the principal and interest is to be repaid is also included in Exhibit A of this resolution; and

NOW, THEREFORE, BE IT RESOLVED BY THE COMMON COUNCIL OF THE CITY OF McMINNVILLE, as follows:

1. **Authorize the Interfund Loans** from the Wastewater Capital Fund to the General Fund.

2. **Funds loaned will not exceed a total of \$606,760** and shall be from unrestricted reserve funds available in the Wastewater Capital Fund.
3. **Interest will accrue at the rate of 5.7%** per annum repayment of principal and interest will be made according to the amortization schedules noted in Exhibit A.
4. **Advanced repayment of the loans is permitted** and may be made in at any time.

This Resolution will take effect on July 1, 2024, and shall continue in full force and effect until revoked or replaced.

Adopted by the Common Council of the City of McMinnville at a regular meeting held the 25th day of June, 2024 by the following votes:

Ayes: Chenoweth, Geary, Peralta, Payne, Garvin

Nays: _____

Approved this 25th day of June, 2024.



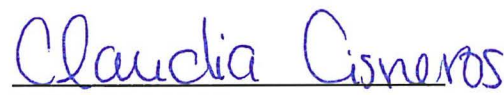
Mayor

Approved as to form:



CITY ATTORNEY

Attest:



CITY RECORDER

EXHIBITS:

- A. Wastewater Capital Fund to the General Fund for the capital investments listed

Exhibit A

A Resolution authorizing an interfund loan from the Wastewater Capital Fund to the General Fund for Capital Investments

IS: Technology Shared Capital Investments

Loan Amount: 51,600 Annual interest rate: 5.70%

	Principal	Interest	Total Payment
Year 1	9,208.65	2,941.20	12,149.85
Year 2	9,733.54	2,416.31	12,149.85
Year 3	10,288.36	1,861.49	12,149.85
Year 4	10,874.79	1,275.06	12,149.85
Year 5	11,494.66	655.20	12,149.86
Total	51,600.00	9,149.27	60,749.26

Admin: City Hall Capital Investment Fire Panel

Loan Amount: 30,000 Annual interest rate: 5.70%

	Principal	Interest	Total Payment
Year 1	5,353.87	1,710.00	7,063.87
Year 2	5,659.04	1,404.83	7,063.87
Year 3	5,981.60	1,082.26	7,063.87
Year 4	6,322.55	741.31	7,063.87
Year 5	6,682.94	380.93	7,063.87
Total	30,000.00	5,319.34	35,319.34

Admin: Nelson House Capital Investment Sidewalk

Loan Amount: 60,000 Annual interest rate: 5.70%

	Principal	Interest	Total Payment
Year 1	10,707.73	3,420.00	14,127.73
Year 2	11,318.07	2,809.66	14,127.73
Year 3	11,963.20	2,164.53	14,127.73
Year 4	12,645.11	1,482.63	14,127.73
Year 5	13,365.88	761.86	14,127.74
Total	60,000.00	10,638.67	70,638.67

Engineering: Vehicle replacement 2007 unit

Loan Amount: 45,000 Annual interest rate: 5.70%

	Principal	Interest	Total Payment
Year 1	8,030.80	2,565.00	10,595.80
Year 2	8,488.56	2,107.24	10,595.80
Year 3	8,972.40	1,623.40	10,595.80
Year 4	9,483.83	1,111.97	10,595.80
Year 5	10,024.41	571.39	10,595.80
Total	45,000.00	7,979.00	52,979.00

Cmty Dev: Vehicle

Loan Amount: 25,000 Annual interest rate: 5.70%

	Principal	Interest	Total Payment
Year 1	4,461.56	1,425.00	5,886.56
Year 2	4,715.86	1,170.69	5,886.56
Year 3	4,984.67	901.89	5,886.56
Year 4	5,268.79	617.76	5,886.56
Year 5	5,569.12	317.44	5,886.56
Total	25,000.00	4,432.78	29,432.78

CDC: Capital Investment HVAC II

Loan Amount: 13,125 Annual interest rate: 5.70%

	Principal	Interest	Total Payment
Year 1	2,342.32	748.13	3,090.44
Year 2	2,475.83	614.61	3,090.44
Year 3	2,616.95	473.49	3,090.44
Year 4	2,766.12	324.32	3,090.44
Year 5	2,923.79	166.66	3,090.45
Total	13,125.00	2,327.21	15,452.21

MPD: Replace 2017 Ford Expl 839 (keep as spare K9) - priority 1

Loan Amount: 84,335 Annual interest rate: 5.70%

	Principal	Interest	Total Payment
Year 1	15,050.61	4,807.10	19,857.71
Year 2	15,908.50	3,949.21	19,857.71
Year 3	16,815.28	3,042.43	19,857.71
Year 4	17,773.75	2,083.95	19,857.71
Year 5	18,786.86	1,070.85	19,857.71
Total	84,335.00	14,953.54	99,288.54

MPD: Replace 2017 Dodge Ch 801 (Move to SUV-Tahoe) - priority 2

Loan Amount: 79,300 Annual interest rate: 5.70%

	Principal	Interest	Total Payment
Year 1	14,152.05	4,520.10	18,672.15
Year 2	14,958.72	3,713.43	18,672.15
Year 3	15,811.37	2,860.79	18,672.15
Year 4	16,712.62	1,959.54	18,672.15
Year 5	17,665.24	1,006.92	18,672.16
Total	79,300.00	14,060.78	93,360.78

IS: MDTs for PD

Loan Amount: 12,000 Annual interest rate: 5.70%

	Principal	Interest	Total Payment
Year 1	2,141.55	684.00	2,825.55
Year 2	2,263.61	561.93	2,825.55
Year 3	2,392.64	432.91	2,825.55
Year 4	2,529.02	296.53	2,825.55
Year 5	2,673.17	152.37	2,825.55
Total	12,000.00	2,127.73	14,127.73

P+R CC: Fire Panel

Loan Amount: 10,000 Annual interest rate: 5.70%

	Principal	Interest	Total Payment
Year 1	1,784.62	570.00	2,354.62
Year 2	1,886.35	468.28	2,354.62
Year 3	1,993.87	360.75	2,354.62
Year 4	2,107.52	247.10	2,354.62
Year 5	2,227.65	126.98	2,354.63
Total	10,000.00	1,773.12	11,773.12

P+R SC: Replace vinyl flooring

Loan Amount: 11,700 Annual interest rate: 5.70%

	Principal	Interest	Total Payment
Year 1	2,088.01	666.90	2,754.91
Year 2	2,207.02	547.88	2,754.91
Year 3	2,332.82	422.08	2,754.91
Year 4	2,465.80	289.11	2,754.91
Year 5	2,606.34	148.56	2,754.91
Total	11,700.00	2,074.54	13,774.54

P+R SC: Carpet replacement

Loan Amount: 54,700 Annual interest rate: 5.70%

	Principal	Interest	Total Payment
Year 1	9,761.88	3,117.90	12,879.78
Year 2	10,318.31	2,561.47	12,879.78
Year 3	10,906.46	1,973.33	12,879.78
Year 4	11,528.12	1,351.66	12,879.78
Year 5	12,185.23	694.56	12,879.79
Total	54,700.00	9,698.92	64,398.92

Park Maint: replace 2013 large area mower

Loan Amount: 90,000 Annual interest rate: 5.70%

	Principal	Interest	Total Payment
Year 1	16,061.60	5,130.00	21,191.60
Year 2	16,977.11	4,214.49	21,191.60
Year 3	17,944.81	3,246.79	21,191.60
Year 4	18,967.66	2,223.94	21,191.60
Year 5	20,048.82	1,142.78	21,191.60
Total	90,000.00	15,958.00	105,958.00

Park Maint: Thompson Park-upgrade ADA ramp

Loan Amount: 15,000 Annual interest rate: 5.70%

	Principal	Interest	Total Payment
Year 1	2,676.93	855.00	3,531.93
Year 2	2,829.52	702.41	3,531.93
Year 3	2,990.80	541.13	3,531.93
Year 4	3,161.28	370.66	3,531.93
Year 5	3,341.47	190.46	3,531.93
Total	15,000.00	2,659.66	17,659.66

Library: Fire suppression sprinklers

Loan Amount: 25,000 Annual interest rate: 5.70%

	Principal	Interest	Total Payment
Year 1	4,461.56	1,425.00	5,886.56
Year 2	4,715.86	1,170.69	5,886.56
Year 3	4,984.67	901.89	5,886.56
Year 4	5,268.79	617.76	5,886.56
Year 5	5,569.12	317.44	5,886.56
Total	25,000.00	4,432.78	29,432.78

	Principal	Interest	Total Payment
Total	606,760.00	107,585.35	714,345.35