



*Where Life is Sweet*

Mayor and Members of the City Council  
**STAFF REPORT**  
For the Meeting of February 23, 2026

**Title/Subject**

Resolution No. 2410 – A Resolution Authorizing an Interfund Loan from the Utilities Fund to the Reserve (Park) Fund and Authorizing Repayment

**Summary and Background**

The current parks mower purchased in 2016 has reached the end of its service life. Over the past three years the parks department has spent ~\$30,000 on repairs with ~\$12,000 spent on the most recent repair.

The parks department has sourced a replacement mower at a total purchase cost of \$174,831.19 via the State of Oregon's cooperative purchase agreement (contract #112624-TTC).

The city has a lease to purchase option at 6.49% interest, cash purchase or finance the purchase with an interfund loan at 4.00% interest.

We recommend establishing an interfund loan from the Utilities fund to the Reserve (Parks) Fund totaling \$160,000 at 4.0% interest per year. The interest rate on the interfund loan is the current earning rate from the State of Oregon Local Government Investment Pool. The additional cost in interest over the life of the loan under the lease option totals \$10,451.

**Funding Sources:**

Equipment Reserve	\$ 10,000.00
Parks Department	4,831.19
Loan Proceeds	<u>160,000.00</u>

Total Funding Sources: \$ 174,831.19

**Tie-In to Council Goals**

N/A

**Fiscal Information**

The interfund loan totals \$160,000 repaid over five years at 4.0%. The monthly principal and interest payment is \$2,946.64 with a final payment of \$2,297.86 in May 2031. An initial down payment of \$14,831.19 will be funded from the Reserve (Park Equipment) Fund and Parks Department existing budget.

## **Alternatives and Recommendation**

### **Alternatives**

1. Adopt Resolution No. 2410 without modification.
2. Adopt Resolution No. 2410 with specific modifications.
3. Direct staff to make major changes to Resolution No. 2410 and bring back at a later date.

### **Recommended Action/Motion**

Adopt Resolution No. 2410 without modification.

### **Submitted By:**

**Byron D. Smith**