STAFF REPORT

Meeting Type:	City Council Meeting
Meeting Date:	June 8, 2026
From:	Tyler Wallace, Finance Director
Subject:	Resolution 2026-11: Clackamas County Bank Library Loan Extension.

DECISION TO BE MADE:

Whether to authorize the City Manager to execute an extension to the Clackamas County Bank library loan.

APPLICABLE COUNCIL GOAL:

n/a

BACKGROUND / CONTEXT:

In 2011, the City made renovations to the Sandy Library building and took out a loan for $800,000 to finance those renovations. The structure of that loan requires that the City refinance every 5 years to avoid making a balloon payment. The last refinance was authorized by City Council in Resolution 2021-12. A balloon payment of $397,738.32 is due July 1, 2026 unless the loan is refinanced.

Staff have engaged with Clackamas County Bank regarding refinancing the loan. The City has received approval for refinancing with a new 5-year term at a rate of 4.75%. The new semi-annual payment will be about $24,920. The semi-annual payment under the prior agreement was $22,572.96.

KEY CONSIDERATIONS / ANALYSIS:

The two options available are to make the balloon payment and retire the debt, or to refinance the loan.

Retiring the debt would mean that the General Fund has no debt and would mean less interest paid. It would also likely mean that Council would have to use money from Council Contingency to pay off the debt. This would result in reduced flexibility for Council to allocate money to other priorities and projects.

Refinancing the debt allows the City to retain financial flexibility and continue to service the debt at an affordable interest rate.

BUDGET IMPACT:

None - This is already reflected in the biennial City budget for BN 2025-27.

RECOMMENDATION:

Staff recommends that the Council adopt Resolution 2026-11, refinancing the debt and allowing the City to retain financial flexibility.

SUGGESTED MOTION LANGUAGE:

“I move to adopt Resolution 2026-11.”

LIST OF ATTACHMENTS / EXHIBITS:

- Resolution 2026-11