
Meeting Date: April 14, 2025

Subject: Loan Payoff

Attachments: **Resolution 2025-16, Loan Repayment Schedule**

Presented by: Adam Vaughn, Finance Director

Approved for Agenda by: Dan Ford, City Manager

Discussion:

Between 2016 and 2018 the City did a project for the City's General Sewer Plan and for Video Equipment. The total project cost was just under \$150,000, half of which was a grant, while the other half was taken out by the City as a State Revolving Loan.

State Revolving Loans is money that is eligible under certain state agencies to apply for competitive loans where payments remain in the agency's funds to continue future loans.

The payoff amount is \$55,411.97.

Without paying off, the City will continue paying this loan until 2037. The benefit of paying this off now is a reduction in overall debt, removal of payments from future year budgets, and savings of \$9,723.20 in real interest costs over the life of the loan. The City has sufficient fund balance in the Wastewater Fund to pay off this loan.

Fiscal Impact:

\$55,411.97 out of the Wastewater Fund and a reduction of \$54,920.39 in total debt balance.

Recommendation:

Approve Resolution 2025-16 authorizing the City Manager to pay off Washington Department of Ecology Loan 150107

Alternatives:

Do not pay off early, continue making payments until 2037.