



**CITY COUNCIL MEETING  
STAFF REPORT**

<b>Meeting Date:</b> June 17, 2024		<b>Subject: Resolution No. 3160</b> A Resolution Of The City Of Wilsonville Authorizing A Two Year Capital Interfund Loan From The Water Operating Fund To The Street Capital Projects Fund  <b>Staff Member:</b> Keith Katko, Finance Director  <b>Department:</b> Finance	
<b>Action Required</b>		<b>Advisory Board/Commission Recommendation</b>	
<input checked="" type="checkbox"/> Motion <input type="checkbox"/> Public Hearing Date: <input type="checkbox"/> Ordinance 1 <sup>st</sup> Reading Date: <input type="checkbox"/> Ordinance 2 <sup>nd</sup> Reading Date: <input checked="" type="checkbox"/> Resolution <input type="checkbox"/> Information or Direction <input type="checkbox"/> Information Only <input type="checkbox"/> Council Direction <input checked="" type="checkbox"/> Consent Agenda		<input type="checkbox"/> Approval <input type="checkbox"/> Denial <input type="checkbox"/> None Forwarded <input checked="" type="checkbox"/> Not Applicable  <b>Comments:</b> Action provides resources to fund capital improvement project (CIP) #4212 Boeckman Dip Bridge as budgeted for fiscal year 2024-2025.	
<b>Staff Recommendation:</b> Staff recommends Council adopt the Consent Agenda.			
<b>Recommended Language for Motion:</b> I move to adopt the Consent Agenda.			
<b>Project / Issue Relates To:</b>			
<input type="checkbox"/> Council Goals/Priorities:	<input type="checkbox"/> Adopted Master Plan(s):	<input checked="" type="checkbox"/> Not Applicable	

**ISSUE BEFORE COUNCIL:**

Council action is needed to approve an Interfund Loan Agreement between the Water Operating Fund to provide a \$8,750,000 loan to the Roads CIP Fund as part of the funding strategy for the Boeckman Road Corridor Project (BRCP). Loan will have a two-year term, with payoff from proceeds of the Willamette Water Supply Program (WWSP) right of way lease, lump sum payoff proceeds due to the City on July 1, 2026.

**EXECUTIVE SUMMARY:**

This is the second of two interfund loans needed for the fiscal year (FY) 2024-2025 funding of the Boeckman Road Corridor Project (BRCB). ORS 294.468 allows one fund to loan money to another fund over multiple years for capital purposes.

This loan will have a two-year term, at a 5% annual interest rate (tied to current US Treasury yields) and will be repaid in full on July 1, 2026; with a portion of the Tualatin Valley Water District (TVWD) right-of-way ground lease balloon payoff payment due to the City on July 1, 2026.

The \$8,750,000 loan; plus interest accrued and compounded annually at 5% (ties to US Treasury yields), equates to a total anticipated payoff of \$9,581,250. Contingencies inherent in the BRCB project may mitigate the need for the full funding of the loan and/or allow for early refunding reducing the anticipated total payoff amount.

**EXPECTED RESULTS:**

Authorize the interfund loan by the respective resolution, authorizing a Water Operating Fund to provide cash resources of \$8,750,000 to pay for the costs associated with the BRCB. The total amount plus interest will be paid for the WWSP right of way lease lump sum payoff on 7/01/26.

**TIMELINE:**

Borrowing will occur in FY 2024-25 as budgeted and be paid off in full in July 2026.

**CURRENT YEAR BUDGET IMPACTS:**

This loan was included in the in the adopted FY 2024-2025 City Budget.

**COMMUNITY INVOLVEMENT PROCESS:**

There has been on specific community outreach or involvement pertaining to this borrowing.

**POTENTIAL IMPACTS OR BENEFIT TO THE COMMUNITY:**

The borrowing will not directly impact local businesses or neighborhoods, however the completion of the Boeckman Road Corridor Project (BRCB) will have a significant positive impact on both.

**ALTERNATIVES:**

The City could engage in borrowing from a financial institution. Using this process would take more time and cost the City significantly more money.

**CITY MANAGER COMMENT:**

N/A

**ATTACHMENTS:**

1. Resolution No. 3160
  - A. Loan Amortization Schedule