

RESOLUTION NO. 2023-27

A RESOLUTION AUTHORIZING AN INTERNAL BORROWING FROM THE CITY'S UTILITY FUND TO THE AIRPORT FUND FOR CAPITAL PURCHASES AND IMPROVEMENTS IN AN AMOUNT NOT TO EXCEED \$1,839,000 TO EXPAND AVAILABLE PARKING AT THE AIRPORT.

Section 1. Findings. The City Council of Salem, Oregon resolves as follows:

Whereas, The City of Salem (City) is an Oregon municipal corporation; and

Whereas, the City has an identified need of a capital purchase and improvement projects for related to parking near the Salem Municipal Airport; and

Whereas, the City's Airport Fund does not currently have sufficient resources to finance the purchase and construction of these various projects; and

Whereas, the City's Utility Fund has sufficient cash on hand to meet the Airport Fund's needs not to exceed \$1,839,000; and

Whereas, ORS 294.468 allows a municipal corporation to authorize a capital loan for up to ten years, from any fund to any other fund of the municipal corporation, whenever the loan is authorized by official resolution or ordinance of the government body; and

Whereas, the Council has determined that financing not to exceed \$1,839,000 for the purpose of the capital purchase and improvement projects needed related to the Salem Municipal Airport through an interfund borrowing is financially feasible, and is in the City's best interests;

NOW, THEREFORE, THE CITY OF SALEM RESOLVES AS FOLLOWS:

Section 2. Authorize Interfund Borrowing. The City hereby authorizes an interfund capital loan in the amount not to exceed \$1,839,000, pursuant to ORS 294.468.

- (a) The loan shall be made from the Utility Fund to the Airport Fund, in an aggregate principal amount not to exceed \$1,839,000 for the purpose of financing of the land purchase and capital improvements at 2790 25th Street SE in Salem.
- (b) The loan is a capital loan to be repaid over ten years from the City's Airport Fund revenues.
- (c) Per the City's Debt Policy C-2, the loan shall bear a variable interest at a rate equal to the City's portfolio rate, plus 0.5%. The variable rate will be adjusted every fiscal year to the latest annualized portfolio rate.
- (d) The loan may be prepaid in whole or part before the maturity date of the loan, without penalty, and with interest accrued to the date of the prepayment.

- (e) The debt repayment shall occur as set forth in Exhibit A “2023 Utility Fund/Airport Fund Interfund Loan - Amortization Table”.
- (f) The repayment schedule may be revised as authorized by Council, subject to limitations in ORS 294.468.

Section 2. Effective Date. This resolution is effective upon adoption.

ADOPTED by the City Council this 28th day of August 2023.

ATTEST:

City Recorder

Approved by City Attorney: _____

Checked by: K. Blechschmidt