CITY OF MONTELLO

SPECIAL FINANCE MEETING

7-30-18

Meeting called to order at 6 PM by Mayor Doudna

**Present**: Mayor Doudna, Venise Mugler, Barb Jordan, Ken Streich

**Others Present**: Dawn Calnin

Motion by Jordan/Streich to approve the agenda. Motion carried

NEW BUSINESS:

1. DISCUSS, WITH ACTION ON LOAN FOR NEW FIRE DISTRICT TRUCK PAYMENT.

* June payment 23,400
* Sept payment 52,886
* Closing fee 350 (approximately)

Total funds needed: 76,650

Calnin received a five year and ten year loan plan from National Exchange Bank and Trust.

The Mayor and Calnin then met with the City accountant to go over these two loan options and discussed the current debt and upcoming debt needed for street projects. Discussion was held on debt impact and what would be best for the city. This information was given to the Finance committee:

5 YR. Plan (3.85% interest)

* Yearly payment would be $17,200 (Principal and interest).
* 5 YR plan would save the city $9000 in interest

10 YR. Plan (4.05% interest)

* Yearly payment would be $9,500 (Principal and Interest)

There is roughly $11,000 already in the general fund debt service budget for Public Works vehicle/equipment payments. These payments are going away in 2019, so if going with a 5 year loan, the city’s debt service budget would only increase approximately $5600.

After discussion the following motion was made:

Motion by Jordan/Mugler to borrow $77,000 and recommend the 5 Year Loan at 3.85% for the Fire Truck loan from National Exchange Bank and Trust. Motion carried.

Motion by Streich/Mugler to adjourn. Motion carried at 6:25 PM

Minutes by Calnin