



Office of Jim Grafton
City Administrator ▪ Public Works Director

Date: 1-7-19

Re: Finance Meeting

Attendance: Mayor Carter, Rick Lohse, Bob Rockwell, Caryn Unsicker, Larry York, Kathy Hall, Josh Dyer, Chief Winters, Jim Grafton, Jim Nelson

Location: City Hall 121 11th Street

Chairman Lohse called the meeting to order at 5:00pm and noted a quorum was present for two agenda items.

The first topic of discussion was financing for the new fire truck. Chairman Lohse explained that the truck has been ordered and the price tag is about \$675,000; there is a nine month production schedule. Funding is due upon delivery. Jim said that he collected rates from four banking institutions and the rates range from 3.5% to 4.9% for loan amount of \$675,000 amortized over 15 years with a five year balloon semiannual payments. The payments would range from \$29,173 to \$31,400 per six months. First year interest for the loan is about \$23k and year five it's about \$16k. Committee discussed self-funding possibilities; there is a grant request in the works for \$325k low interest loan at 1.83% for 15 years. Committee was in agreement to self-fund the truck using \$300k from TIF and the balance from the grant (low interest loan) or from the general reserves. Jim said the only urgency with the meeting this evening is to decide if the city would finance the truck. Alderman Rockwell asked if this would be a replacement vehicle; the trade in value might be more than \$10k. It was noted that we are still making bond payments on the trucks purchased in 2010.

The next topic of discussion is financing for the Public Works/fire station building. The estimated cost of the building would be \$1.5 million and Jim said he would like to start construction in 2019. A copy of the building footprint was distributed. Jim explained that it would be a two part buildout; Street building would built and equipment and supplies relocated to new building. The old street barn would be raised and the new portion fire station would be built. Committee discussed funding options for the building. Funds from Water Sewer and from TIF would be used as the first preference. Bank financing would be the alternative plan. It was noted that the plans need to be fine-tuned and thereby getting more realistic cost estimates. Committee was agreeable to move forward without financing at this point. Jim will provide financial plans to Chairman Lohse.

There were no other agenda items and the meeting was adjourned at 6:35pm

A handwritten signature in black ink, appearing to read "Jim Grafton".