



Agenda Commentary

Item Title/ Subject: FB&T Loan #8005 Payoff – City Hall Roof & Window Project 2011

Staff Source: Debra Blanchard, City Treasurer

History/Background Information: The City lease purchased the improvements to the City Hall Bldg Roof & Windows thru First Bank & Trust Co. on May 17, 2011, \$450,000, for a 5 year repayment at 4.14%.

Item/Subject Summary: The current principal balance on the loan is \$281,062.14. The payoff for August 8th would be \$283,548.73.

Price/Cost: \$283,548.73

Recommendation: I would recommend the payoff of the loan as of August 7, 2013. The savings on interest would be over \$20,000 with the early payoff of the loan. With rates on investments being approximately 3.4% less than the loan rate, we will experience a net interest savings of almost \$14,000 by paying off early. I have planned the cash flow in the Capital Improvement Fund to handle this payoff and the DOT/Chapman Road project in the month of August.