



CITY OF WASILLA

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COUNCIL MEMORANDUM NO. 91-07

FROM: Finance Director

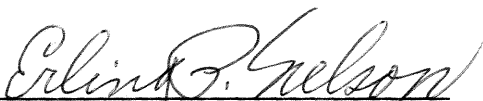
DATE: February 7, 1991

SUBJECT: Early Payment Sewer Assessment Bond

The Farmers Home Administration has completed their review of the loans outstanding as of June 30, 1990 that they have with the City of Wasilla. They are satisfied with the progress of payments in all but Debt Service Fund #9 (original Sewer) for which they feel there are excess idle funds.

We have agreed in concept to an early payment of \$111,000 on or about March 17, 1991 which would apply to or reduce all remaining principal payments by \$3,000 each.

During FY-90 we made an early payment of \$120,000 which resulted in a savings of \$179,400 in interest costs over the life of the bond. Interest rates are now running below interest costs on this bond so it would be in our interest to make an early payment.


Erling P. Nelson, CMC
Finance Director

EPN/mdh

