



**CITY OF WASILLA**

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Page 1

**INFORMATION MEMORANDUM  
NO. 97-20**

**FROM:** Dean Baugh, Senior Accountant

**DATE:** April 30, 1997

**SUBJECT:** Approximate savings on early payments on bonds, conservative model.

Ordinance Serial No. 97-24 requesting an early payoff of the Overlook Sewer bond and an early payment on the Southside Water bond would save the City the following:

**Overlook Sewer Bond (Payoff)**

	<b>Principal</b>	<b>Interest 7.48%</b>
If not paid	58,000.00	6,507.60
If paid	58,000.00	<u>4,413.91</u>
	Saving	<u>2,093.69</u>

**Keep money in bank**

Amount of Deposit for	31,169.20
1 year	
Interest Earned	<u>x 5.45%</u>
Earnings	<u>1,698.72</u>

**Net Savings**

Interest savings	2,093.69
Interest Earnings	<u>1,698.72</u>
Net Savings	<u>394.97</u>

**Southside Water Bond (Early Payment)**

	<b>Principal</b>	<b>Interest 6.125%</b>
If not paid	329,300.00	362,596.38
If paid	329,300.00	<u>330,049.60</u>
	Saving	<u>32,546.78</u>

**Keep money in bank**

Amount of Deposit for	35,000.00
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Approximately 10  
years  
Interest Earned           x 5.45%  
Earnings           24,502.32

**Net Savings**  
Interest savings 32,546.78  
Interest Earnings 24,502.32  
Net Savings 8,044.46