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VILLAGE OF WEBSTER

FINANCE MINUTES

Wednesday, June 5, 2013

After 5:00 Personnel Mtg. @Village Office

7505 Main Street West, Webster, WI

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- I. **CALL TO ORDER** – Chairman, Greg Widiker called the meeting to order at 5:20 p.m.
- II. **PRESENT** - Village President, Jeff Roberts; Chairman, Greg Widiker, Trustee, Charlie Weis and Trustee, Tim Maloney. Absent: None. Also present: Clerk-Treasurer, Patrice Bjorklund.
- III. **REFINANCE LIBRARY LOAN DISCUSSION** – Chairman, Greg Widiker turned discussion over to Trustee, Tim Maloney who serves as a member of the Library Board. Trustee, Maloney stated that at the last monthly library meeting discussion took place to possibly refinance the Bremer 20 Year Loan that is set to have a balloon payment in 2 years. The library board could choose to pay off the loan entirely at that time or refinance at the interest rates set at that time. Trustee, Maloney wanted to bring this issue before the Finance Committee and see what their thoughts are on the issue. Clerk-Treasurer, Bjorklund researched current interest rates and payoff schedule with the current Bremer Bank Loan. The original loan was taken out on February 10, 2011 in the amount of \$215,000.00. The payments are \$14,723.00 annually @ 3.25%. So far to date of the loan being complete, there are 19 equal installments of \$3,680.75 starting May 10, 2011 (quarterly) with a final payment of the unpaid balance and accrued interest due on February 20, 2015. Interest rate is 3.25% per annum. She also researched Board of Commissioners of Public Lands refinance information. The longest period that the loan could be taken out was 17 years at an interest rate of 3.75% with one payment due in March of the year of the loan payment. The loan could not be taken out for 20 years as there are loan payments that have been paid to date. There is no penalty for early payoff. Discussion ensued. Trustee, Weis would like to see the payments kept low which would fall more in line with the 17 year loan period with an interest rate of 3.75% with annual payment of \$15,517.65. Another attractive feature with going with Board of Commissioners for refinance was the fact that they donated \$30.1 million Common School Fund library aid throughout school libraries in the State of Wisconsin in 2013. Village President, Roberts agreed that the interest rate was slightly higher than the current Bremer loan, however; there is no guarantee that the interest would stay below the 3.75% interest rate that Board of Commissioners proposed for 17 years. Trustee, Weis stated that if the loan payments are kept low, additional monies garnered through donations, etc. could essentially be put towards other expenses and unforeseen problems. Motion was made by Village President, Roberts to refinance through Board of Commissioners of Public Lands at a loan period, rate and payment that the library feels comfortable with. Seconded by, Trustee, Weis. **Motion carried 4-0.**
- IV. **ADJOURNMENT.** Motion was made by Trustee, Weis, seconded by Trustee, Widiker to adjourn at 5:40. **Motion carried 4-0.**

Respectfully submitted,

Patrice Bjorklund

Patrice Bjorklund, Clerk-Treasurer

June 6, 2013

***These minutes are subject to approval at next month's Regular Meeting.