Town of Chino Valley

MEETING NOTICE
TOWN COUNCIL

STUDY SESSION
Thursday, October 15, 2015
6:00 P.M.

Library Community Room
1020 Palomino Road
Chino Valley, Arizona

AGENDA

1) CALL TO ORDER; ROLL CALL

2) Presentation and discussion regarding USDA WIFA refinance, Center Street sewer extension, Town's water and sewer extension, buy-in fee and connection policies. (Robert Smith, Town Manager)

3) ADJOURNMENT

Dated this 12th day of October, 2015.

By: ***Jami C. Lewis, Town Clerk***

The Town of Chino Valley endeavors to make all public meetings accessible to persons with disabilities. Please call 636-2646 (voice) or 711 (Telecommunications Arizona Relay Service) 48 hours prior to the meeting to request a reasonable accommodation to participate in this meeting.

Supporting documentation and staff reports furnished to the Council with this agenda are available for review on the Town website at http://www.chinoaz.net/agendacenter, and in the Public Library and Town Clerk's Office.

CERTIFICATION OF POSTING

The undersigned hereby certifies that a copy of this notice was duly posted at Chino Valley South Campus, Chino Valley Post Office, and Chino Valley North Campus in accordance with the statement filed by the Town Council with the Town Clerk.

Date:____________________ Time:_________________ By:____________________________________

Jami C. Lewis, Town Clerk

TOWN OF CHINO VALLEY
COUNCIL AGENDA ITEM STAFF REPORT

Town Council Study Session **Item No. 2)**

Meeting Date:	10/15/2015
Contact Person:	Joe Duffy, Finance Director Phone: 928-636-2646 x-1211
Department:	Finance
Estimated length of Staff Presentation:	10 minutes
Physical location of item:	N/A

Information

AGENDA ITEM TITLE:

Presentation and discussion regarding USDA WIFA refinance, Center Street sewer extension, Town's water and sewer extension, buy-in fee and connection policies. (Robert Smith, Town Manager)

SITUATION & ANALYSIS:

N/A

Attachments

USDA WIFA Refinance

USDA WIFA REFINANCE

Finance Department

July 14, 2015

Why WIFA?

- WIFA offers subsidized interest rates. Chino Valley qualifies for a 20% discount.
- WIFA extends grants to underprivileged communities' that reduce the amount that has to be paid back. WWTP saved $478,929, Prescott Water Acquisition $636,000.
- WIFA allows borrowers to fund a reserve fund over 5 years instead of financing the amount up front.
- WIFA also encourages a repair and replacement fund if applicable.

Current WIFA Loans

	Original Amount	Outstanding @ 6/30/15	Reserve Fund	Repair and Replacement per Year
WIFA 2007	$1,580,000	$1,012,404	$107,956	$43,183
WIFA 2008	$4,853,000	$3,495,027	$347,330	$69,466
WIFA 2014	$2,963,671	$2,841,817	$181,423	
Total	$9,396,671	$7,349,248	$636,709	$112,649
Total Funded to Date			$455,286	$268,480

Current USDA Loan Summary

Current Loans	Interest Rate	Payoff	Original Balance	Outstanding Balance
USDA 2007	4.1250%	2/16/2037	$1,595,000	$1,374,524
USDA 2008	4.1250%	4/10/2038	$1,505,000	$1,339,709
USDA 2008	4.1250%	4/16/2038	$1,332,000	$1,185,137
Total			$4,432,000	$3,899,370
		Term	23 Years	23 Years

Note refinanced loan will payoff on 7/1/2038

Refinance with WIFA

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Total Debt Service Existing Loan	4.1250%	23 Years	$5,961,677
Total Debt Service New Loan	2.45%*	23 Years	$5,190,704
Total Cash Savings			$770,973
Present Value Savings			$636,554

** Estimated Interest Rate*

Center Street Project

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Design	$50,000
Construction	$510,000
Closing Costs	$10,000
Total Project	$570,000
New Debt Service 20 Year Loan	$717,664

Total Combined Loan Savings

	Net Saving
Total Debt Service Existing Loan 23 Years	$770,973
Total Debt Service New Loan 23 and 20 Years	($717,664)
Total Savings	$53,309

Molly Rae Subdivision

		Buy In Fees	Total Buy In Fees
Total Lots	106		
Total Homes to date	4		
Number of Homes Remaining	102	$6,000	$612,000
Total Future Annual Sewer Fees	102	$64	$78,336
Total Project Cost			$570,000
Total Debt Service			$717,663
Other homes along Center	28?	$6,000	?

*Town may offer an incentive to hookup during construction.

USDA Loan Summary

	Current	New
Existing USDA Debt	$3,899,370	$3,899,370
Center Street Sewer Line		$560,000
Closing Costs		$75,000
Other		$630
Total	$3,899,370	$4,535,000
Annual Debt Service	$271,000	$268,000

Refinance Schedule

7/16/2015	Council Study Session. Present Data
7/28/2015	Council Adopts Debt Authorization

WIFA sends Town Project Finance Application (PFA)

8/28/2015	PFA back to WIFA
10/21/2015	WIFA Board Approval
11/10/2015	Loan Documents to Council for Approval
11/??/15	Loan Closes