

# Town of Windsor

## Memorandum

February 11, 2020

**TO:** The Honorable Mayor and Town Council

**FROM:** Michael Stallings, Town Manager MS

**SUBJECT:** Windsor Town Center Loan Payment

At the last Town Council meeting, I was asked to evaluate options to pay off the Town Center Loan earlier than scheduled.

As of 2/4/2020, the remaining balance on the loan is \$166,285.23 (including interest). As of 2/4/2020 there is \$200,646.56 in the Windsor Town Center account. Of this, \$29,962.54 is still remaining on the renovation budget, leaving \$170,684.02.

Currently we have \$90,000 set aside in the General Fund to make payments on this loan. Of that, \$67,209.14 has been paid so far this fiscal year, leaving \$22,790.86 to be paid through the end of June.

Assuming that we leave the \$90,000 in the budget for next fiscal year to make payments on the loan, we will need to pay off \$76,285.23 by the end of June 2020. Once we account for the scheduled payments for the rest of the fiscal year, an additional payment of \$53,494.37 would leave \$90,000 remaining due at the beginning of next fiscal year.

Paying the loan off by the end of the 20-21 fiscal year will save us approximately \$1,660 in interest charges. Making a payment of \$53,494.37 would leave \$117,189.65 available in the Town Center account to cover operating expenses for the center.

It is our recommendation that Council authorize an additional payment of \$53,494.37 from the Windsor Town Center account onto the Town Center Loan with Farmer's Bank. Attached is a resolution that would appropriate these funds and authorize the payment.

### Recommended Motion

Move that Council adopt the enclosed resolution entitled:

A Resolution Appropriating The Sum Of \$53,494.37 From The Unappropriated Fund Balance Of The Windsor Town Center Fund To The 2019-20 Windsor Town Center Fund Operating Budget

**Resolution**

A Resolution Appropriating The Sum Of \$53,494.37 From The Unappropriated Fund Balance Of The Windsor Town Center Fund To The 2019-20 Windsor Town Center Fund Operating Budget

**WHEREAS**, the Town Council of the Town of Windsor authorized the borrowing of funds from Farmer’s Bank to help complete the renovations of the Windsor Town Center, and;

**WHEREAS**, the Town Council wishes to make an additional principal payment on this loan to accelerate the pay off of this loan, and;

**WHEREAS**, the Town Council desires to appropriate \$53,494.37 from the Windsor Town Center Fund to be used as an additional payment on this loan, and;

**NOW, THEREFORE BE IT RESOLVED** by the Council of the Town of Windsor, Virginia as follows:

Section 1. That the sum of \$53,494.37 from the Unappropriated Fund Balance of the Windsor Town Center Fund, be, and the same hereby is, appropriated to the Future Needs line item in the 2019-20 Windsor Town Center Fund Operating Budget:

Section 2. The Town Manager is hereby authorized and directed to use these funds to make an additional payment on the Town Center loan.

Section 3. This resolution shall be in effect on and after its adoption.

Adopted: February 11, 2020

TESTE:

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Town Clerk