

February 12, 2008
Noon
Commission Room

The Commissioners of the City of Horton met for a special meeting on Tuesday, February 12, 2008 at noon in the City Hall Commission Room for the purpose of receiving a report from the financial advisor.

Mayor Lentz called the meeting to order and a prayer was given by Candy Schmitt, City Clerk.

Present: Mayor Lentz, Commissioners Forkenbrock, Davies and Luscombe.

Commissioner Krug entered the meeting at 12:15 p.m.

Report from Financial Advisor

David Arteberry from George K. Baum presented the Commission with a report of the financial status of the general operating and utility funds for the City of Horton.

It was suggested that the City consider a rate increase on a periodic basis to keep the utility funds strong. He also suggested that the general fund balance be increased to 15 to 20% of the revenues. This will help to sell bonds in the future. There was also some discussion on refinancing the electric bonds at a lower interest rate.

Several options for repayment of bonds issued for the Mission Lake Project were reviewed. The bonds could be repaid through property taxes, utility revenues, a combination of both taxes and utility revenues or a 1% sales tax increase.

Commissioner Krug stated he would be opposed to an increase in property taxes or sales taxes. He would rather increase the water rates and try to refinance the electric bonds and use the savings from that transaction to pay the lake bonds.

The Commission directed Mr. Henry to proceed with an application for a Rural Development Loan which can be financed for up to 40 years. This could make the rate increases a little smaller for the citizens.

Motion by Commissioner Krug to adjourn at 1:07 p.m. Seconded by Commissioner Luscombe. All aye.

Candy Schmitt, City Clerk

Tim Lentz, Mayor