



City of Rochelle Administrative Services

Memo

To: Dave Plyman, City Manager
From: Chris Frye, Finance Manager
Date: April 15, 2013
Re: Interfund Loan

On February 27, 2013 and March 6, 2013, the City Council met in joint session with the Flagg Rochelle Community Park District to discuss the purchase of the Rochelle golf course and restaurant. On March 20, 2013, another meeting was held and an intergovernmental agreement was approved for the acquisition of the property at a purchase price not to exceed \$800,000. On April 4, 2013, the two buyers closed on the property at a cost to each party of \$388,666.95. The agreement states that after five years, the owners may then sell the property. For your consideration, I have calculated the cost of an interfund loan from the Electric Fund to the Solid Waste Fund for the principal amount of \$388,666.95 at an interest rate equal to the rate earned on a money market account (currently .20%) for a one-time payment. The amortization schedule is as follows:

Principal Amount Advanced to Solid Waste on 4/4/13: \$388,666.95

Interest Rate : .20%

Single Payment due Electric on 4/4/18: \$392,569.20