

Called Council Meeting  
August 13, 2014

Members Present: Mayor Richard C. Barr, members Jody Greene, Buddy Duke and Butch Fausett.

Others Present: John Flythe, Rhonda Rowe and Kirk Chambers.

USDA Grant/Loan for Communication Equipment: City Manager John Flythe advised the council that the USDA has facility funds available that can be utilized toward the purchase of the communication equipment (radio and telephone) for the City of Adel. Due to the number of communities applying for these funds, the amount of grant funds available is limited at \$25,000. In addition to this, we can secure a \$28,600 loan at a current interest rate of 4%, which is lower than what we could obtain elsewhere. Should the interest rate be lower at closing, we will receive the better of the two rates at that time, but the rate will not go above 4%.

Kirk Chambers from USDA was present and advised this procedure was the same process for the fire truck and equipment loan/grant that was secured last year. The total project cost is \$161,700. Of this amount, \$42,500 has been off-set by a GEMA grant and \$65,600 by funds allocated in the current FY 2013-2014 budget. The remaining \$53,600 would be secured by the proposed USDA grant/loan.

After questions were posed by the council concerning interest rates and annual payments, city manager John Flythe verified with Mr. Chambers that the loan could be paid off early without incurring any penalties. Mr. Chambers concurred.

Councilman Duke made a motion to approve the loan resolution security agreement (Form RD 1942-9) with Councilman Greene providing the seconding. The decision was unanimous.

There was no further business and the meeting was adjourned.

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Rhonda P. Rowe, City Clerk

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Richard C. Barr, Mayor

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