

CITY OF BURTON
SPECIAL COUNCIL MEETING MINUTES
OCTOBER 25, 1999, 6:00 P.M., COUNCIL CHAMBERS

The Special Meeting was called to order by Council President Ted Hammon, at 6:03 P.M.

MEMBERS PRESENT: Centilli, Hammon, Walls and Zelenko.

MEMBERS ABSENT: Cox, Cross and Martinbianco.

OTHERS PRESENT: D. Halstead, Fire Chief and C. Ladd, Deputy City Clerk.

PURPOSE OF THE MEETING: DISCUSSION AND POSSIBLE ACTION REGARDING THE
PURCHASE OF TWO NEW FIRE TRUCKS.

PRESENTATION:

Chief Halstead reviewed the attached bid proposal for the purchase of the two fire trucks. He noted that he had purchased a fire truck in 1998 and the cost of that same vehicle has increased by \$34,281.00, due to inflation. He reviewed the figures as presented and said he is convinced that it makes sense to purchase over time and replace the vehicles that are 18 and 21 years old respectively. The payment for the trucks has already been allocated in this year's budget in the amount of \$54,000.00.

AUDIENCE PARTICIPATION:

There was no one in the audience who wished to speak.

COUNCIL DISCUSSION:

Mrs. Zelenko asked if there would be a penalty for early payoff under the contract with American Financial Network, Inc. Councilman Cox requested the information.

Chief Halstead said he understands there is no penalty for early payoff.

Mrs. Walls inquired about the interest rate.

Chief Halstead replied that under the 10-year plan, the interest rate is 4.9127%. The agenda should be changed to reflect this amount.

Mr. Hammon inquired about this being a balloon agreement for 7 years and then will be re-evaluated after the 7 years.

Chief Halstead said Mr. Becker could give you the concluding figure.

Mr. Hammon said he thinks Chief Halstead has done a good job.

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COUNCIL ACTION:

Centilli moved and Zelenko seconded the following motion:

1. Approve and authorize a ten year lease purchase contract with the low bidder American Financial Network, Inc. (AFN) for the purchase of two new fire trucks with an amount to be financed of \$396,402.00 with a net interest rate of 4.9052%, amounting to a total interest cost of \$114,698.00. (NOTE: First payment will be \$51,109.00; \$54,000 currently budgeted).
Motion carried 4-0.

Meeting adjourned at 6:13 P.M.

Gayle Webster
Burton City Clerk

GW/cml