

MINUTES OF
SPECIAL COUNCIL MEETING
MARCH 17, 1989

CALL TO ORDER:

The Special Meeting of the City Council of the City of Galena was called to order Friday, March 17, 1989 at 7:00 P.M. in the Council Chambers with Thomas Y. Allen, Mayor, presiding. The purpose of the meeting was to discuss the FHA Loan/Grant on the sewer project.

ROLL CALL:

Roll Call indicated the following Council Members present: Poelma, Hayes, Little, King, Stephenson, Fitzer, Jenkins
ABSENT: Qualls, Byrd, Tipton

BYRD ENTERED 7:10 P.M.

FHA LOAN/GRANT:

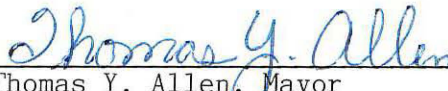
Mayor Allen reported to the council that he had received information from Dale Yager of FHA that the maximum amount the city would receive in grant funds on the \$1,200,000 application is \$39,000 with the balance in a 40 year 5% loan. Rick Bair of Mid-Kansas Engineering was asked for his comments.

Mr. Bair stated he had been in contact with the FHA office and they had also indicated to him the grant available on the project would be very small if any. He had discussed with FHA the possibility of doing a larger project and renovate the entire sewer system. He stated that if the project cost \$5,000,000 and the city received a 75% FHA grant, the loan portion would be \$1,250,000 which would be approximately the same amount as the loan necessary for the current project. He also stated this would possibly allow for a smaller lift station being installed and thus save money on this project. FHA had indicated to him that the by-pass would aid in the local FHA going to the National Pool for the funds and we would not have to wait until August. The sewer rate increase for the \$1,200,000 project would be approximately \$4.23 and the \$5 Million project would increase rates about \$6.39 per month.

Rex Heape of the Kansas Department of Health was present and he stated he had been in contact with Mr. Geisler and they would allow additional time on the by-pass if the testing for infiltration was done first.

ADJOURNMENT:

Moved by King, seconded by Little to adjourn this Special Meeting of the Galena City Council. Motion declared carried.



Thomas Y. Allen, Mayor

ATTEST:



Jenaie Holstrom, City Clerk

(SEAL)