

Golf Course Loan Repayment

ISSUE:

Repay Golf Course loan

BACKGROUND:

The Golf Course loan of \$104,916 is scheduled to be repaid in approximately 3 years. After the close of the 2020 budget, we have available operating funds of nearly \$507K.

By paying off the loan early, it will allow us to

- Save several thousand dollars of interest (at least \$2K in 2021).
- Unfreeze \$555K of Replacement Reserve funds being held as collateral for the loan.
- Allow us to convert the golf course to common property, saving nearly \$7K per year in taxes.
- Will eliminate all current long-term debt for the Association.

RECOMMENDATION:

The Finance Committee is recommending that we pay this loan balance as soon as possible.

PROPOSED MOTION(S) or ACTION(S):

Pay off the outstanding balance of \$104,916 on the Golf Course loan from available operating funds.

SPONSOR: Ed Noble, Treasurer