Legislation Details (With Text)

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Title:	Request to Approve Equipment and Vehicle Financing		
Indexes:			
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Attachments:	1. ATTACHMENT A - Resolution to Finance 2013 Vehicles and Equipment, 2. ATTACHMENT B - Vehicles for Financing and Proposals Summary		

Date	Ver.	Action By	Action	Result
6/25/2013	1	Board of Aldermen	approved	Pass

TITLE:
Request to Approve Equipment and Vehicle Financing

PURPOSE: The Board of Aldermen is requested to approve a contract for installment financing of vehicles and equipment budgeted for FY 2012-13.
DEPARTMENT: Management Services

CONTACT INFORMATION: Arche McAdoo, 918-7439

INFORMATION: Annually, the Board of Aldermen approves financing contract for the purchase of vehicles and equipment through lease purchase financing. On June 7, 2013 the Town issued a request for proposal for installment financing of $397,320 for the acquisition of vehicles and equipment. The Town is not required by law to request proposals but does so to ensure competitive financing. The request for proposal was sent to 21 financial institutions and the Town received 3 proposals from 2 financial institutions. Attachment B contains a list of the vehicles and equipment to be financed and a summary of the three proposals submitted.

Of the three proposals presented, SunTrust Equipment Finance and Leasing offered the most competitive interest rate of 1.36% for 5-year financing.

FISCAL & STAFF IMPACT: Interest cost of financing will be $81,636.35 per year for five years which will be included in each annual general fund budget. Lender will be given a security interest in the vehicle and equipment being purchased and financed. There is no pledge of any other assets and/or taxing authority of the Town.

RECOMMENDATION: The Board of Aldermen is requested to adopt the attached resolution designating the installment purchase contracts as tax-exempt obligations of the Town, award the financing contract to SunTrust for the equipment and vehicle purchases listed, and authorize the Town Manager and Finance Director to execute the necessary financing

documents and agreements.