



Legislation Details (With Text)

File #: 14-0164
Type: Agendas
File created: 5/14/2014
On agenda: 6/17/2014
Name:
Status: Passed
In control: Board of Aldermen
Final action: 6/17/2014
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 2013-14.

Indexes:

Code sections:

Attachments: 1. ATTACHMENT A- Resolution to Approve Financing, 2. ATTACHMENT B - Vehicles for Financing, 3. ATTACHMENT C - Summary of Financing Proposals

Date	Ver.	Action By	Action	Result
6/17/2014	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 2013-14.

DEPARTMENT: Management Services

CONTACT INFORMATION: Arche McAdoo, Finance Director 918-7439

INFORMATION: Annually, the Board of Aldermen approves the financing contract for the purchase of vehicles and equipment through lease purchase financing. On May 16, 2014 the Town issued a request for proposal for installment financing of \$498,822 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 22 financial institutions and the Town received six proposals from four financial institutions. Attachment B contains a list of the vehicles and equipment to be financed and Attachment C provides a summary of the proposals submitted.

Of the six proposals presented, US Bancorp Government Leasing and Finance, Inc. offered the most competitive interest rate of 1.264% for 5 year financing.

FISCAL & STAFF IMPACT: The total interest cost of financing for five years will be \$12,609. Annual interest and principal payments of \$102,283 will be included in the general fund annual budget. Lender will be given a security interest in the vehicle and equipment being

purchased and financed. This financing does not 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 contract as tax-exempt obligations of the Town, award the financing contract to US Bancorp Government Leasing and Finance, and authorize the Town Manager and Finance Director to execute the necessary financing document and agreements.