



Legislation Details (With Text)

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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 2014-15.

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
6/2/2015	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 2014-15.

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 April 30, 2015 the Town issued a request for proposal for installment financing in the amount of \$717,102 for the acquisition of vehicles and equipment. The Town is not required by law to request proposals but does so to seek a competitive financing rate. The request for proposal was sent to 19 financial institutions and the Town received five proposals on May 15, 2015 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 five proposals presented, BB&T Governmental Finance offered the most competitive interest rate of 1.33% for 5 year financing.

FISCAL & STAFF IMPACT: The total interest cost of financing for five years will be \$19,073. Annual interest and principal payments of \$147,235 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 resolution in Attachment A designating the installment purchase contract as tax-exempt obligations of the Town, award the financing contract to BB&T Governmental Finance, and authorize the Town Manager and/or Finance Director to execute the necessary financing document and agreements.