Legislation Details (With Text)

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File created:	6/11/2017		**In control:**	Board of Aldermen	
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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 included in the FY 2016-17 general fund budget.				
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
6/20/2017	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 included in the FY 2016-17 general fund budget.
DEPARTMENT: Finance

CONTACT INFORMATION: Arche McAdoo, Finance Director 918-7439

INFORMATION: The Board of Aldermen approves the financing contract for the purchase of vehicles and equipment through lease purchase financing. On June 5, 2017 the Town issued a request for proposal for installment financing in the amount of $362,091 for the acquisition of vehicles and equipment (see Attachment B). The request for proposal was sent to 19 financial institutions and the Town received three proposals on June 9, 2017.

The Town is not required by law to request proposals but does so to seek a competitive financing rate. Attachment C provides a summary of the proposals submitted. Of the three proposals presented, US Bancorp offered the most competitive interest rate of 1.718% for 5 year financing. BB & T was a close second at 2.010%.

FISCAL & STAFF IMPACT: The total interest cost of financing for five years will be $12,895.67. The Town will make the first payment of $74,997.33 at the time of closing. This amount for annual interest and principal payments will be included in the general fund annual budget for the next four years. The 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 US Bancorp, and authorize the Town Manager and Finance Director to execute the necessary financing document and agreements.

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