



Legislation Details (With Text)

File #: 17-588
Type: Agendas
File created: 6/11/2018
On agenda: 6/19/2018
Name:
Status: Agenda Ready
In control: Board of Aldermen
Final action:
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 2017-18 general fund budget.

Indexes:

Code sections:

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

Date	Ver.	Action By	Action	Result
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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 2017-18 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 May 29, 2018 the Town issued a request for proposals for installment financing in the amount of \$240,000 for the acquisition of six patrol vehicles. The request for proposal was sent to 19 financial institutions and the Town received four proposals on June 8, 2018.

The Town is not required by law to request proposals but does so to seek a competitive financing rate. Attachment B provides a summary of the proposals submitted. Of the four proposals presented, Regions Bank offered the most competitive interest rate of 2.85% for 5 year financing. The total interest cost of financing for five years will be \$13,674.57. The Town will make the first payment of \$50,734.91 at the time of closing.

FISCAL & STAFF IMPACT: The total amount of principal and interest payments for the five year term is \$253,674.57 or \$50,734.91 annually. Annual payments will be included in the general fund annual budget. The lender will be given a security interest in the vehicles being

purchased and financed. This financing does not pledge 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 Regions Bank, and authorize the Town Manager and Finance Director to execute the necessary financing document and agreements.