

BOARD OF ALDERMEN

ITEM NO. C(10)

AGENDA ITEM ABSTRACT

MEETING DATE: June 5, 2007

TITLE: Request to Approve Equipment and Vehicle Financing

DEPARTMENT: Management Services	PUBLIC HEARING: YES ____ NO <u>x</u>
ATTACHMENTS: A: Resolution Awarding Financing to RBC Centura Bank B: Analysis of Proposals Submitted by Banks	FOR INFORMATION CONTACT: Bing Roenigk 918-7439 or Nancy Emslie 918-7306

PURPOSE Annually, the Board of Aldermen, through its capital improvement plan, approves a schedule that provides for the purchase and replacement of vehicles and equipment through lease purchase financing. The Board of Aldermen is requested to adopt a resolution designating the installment purchase contracts for items listed below as tax-exempt obligations of the Town. This resolution represents the installment financing planned and budgeted for FY06-07.

INFORMATION: The Town solicited a financing proposal to banks for a total of \$1,134,188. The Town is not required by law to request proposals but does so to ensure competitive financing. A request for proposal to finance these purchases was submitted to 13 banks and brokers; 5 responded. The list of items to be financed over a five-year loan term includes:

Vehicles & Equipment	Amount
Patrol Vehicles (5) and one van	\$ 147,500
Police Investigations Vehicle	\$ 25,200
Police Records Management System	\$ 285,638
Police patrol vehicle mobile data work stations (6)	\$ 63,300
Fire Dept (Fire Chief) replacement vehicle	\$ 27,000
L&G replacement trucks (2) – Public Works	\$ 32,050
Motor grader replacement – Streets Division	\$ 96,000
Dump truck w/plow replacement – Streets Division	\$ 90,500
Emergency Generator for Century Center	\$ 143,000
Fleet Maintenance replacement truck	\$ 13,000
Solid Waste Heil Multi-pack on Crane Carrier chassis	\$ 211,000
	\$
Total Vehicles & Equipment	\$ 1,134,188

Of primary importance in evaluating the proposals were the effective interest rates offered and the total financing cost. Analysis of the proposals reveals that RBC Centura offers the most competitive interest rate of 3.68% and the most competitive financing arrangement. Thus, the Town, with Board approval, will be entering into a lease-purchase contract with RBC Centura Bank for the installment purchase financing town purchases over a five-year period. The Town, due to savings in equipment and vehicle purchases overall, is borrowing \$40,950 less than budgeted. Two notable projects that were not financed

this year are the Town Hall fire escape installation and the outfall line for the annexation area. These items will be deferred to fiscal year 2007-2008 for installment financing.

STAFF RECOMMENDATION

The Board of Aldermen is requested to introduce and approve the attached resolution designating the installment purchase contracts as tax-exempt obligations of the Town, award the financing contract to RBC Centura Bank for the equipment and vehicle purchases listed, and authorize the Finance Officer to execute the financing.

