

Town of Windsor

Memorandum

June 9, 2015

TO: The Honorable Mayor and Town Council
FROM: Michael Stallings, Town Manager *MS*
SUBJECT: Police Car Purchase Agreement

As you are aware, the proposed budget calls for the purchase of two police vehicles. As with previous years, we plan to do a lease purchase for these vehicles. This allows us to take delivery of both vehicles this upcoming fiscal year, but break the payments up over the next two.

We received two proposals for this lease purchase financing. The first was from the same firm that we have used in the past, Leasing 2. The second was from VML/VACo Finance. I have attached both proposals.

As you can see, VML/VACo is offering a rate of 1.35% and Leasing 2 is offering 4.1%. The difference in interest rate will save us over \$3,300. As such, I am recommending that we utilize VML/VACo to finance the purchase of police vehicles.

I recommend that Council authorize and direct the manager to execute the lease purchase agreement with VML/VACo Finance and move forward with the purchase of the two police vehicles.

Recommended Motion

Move that Council authorize and direct the manager to execute the lease purchase agreement with VML/VACo Finance and move forward with the purchase of the two police vehicles.



l e a s i n g 2

Lessee
Town of Windsor, VA

Vendor
Southern Dodge

Proposal Date:	April 21, 2015	
Equipment Description:	2- 2015 Dodge Chargers	
Commencement Date:	June 1, 2015	
	<u>Option 1</u>	<u>Option 2</u>
Equipment Cost:	\$72,858	\$72,858
Lessee Down Payment:		
Amount Financed:	\$72,858	\$72,858
Lease Term:	2 Years	3 Years
First Payment Date:	6/1/2016	6/1/2016
Payment Frequency:	Annual	Annual
Lease Rate:	4.10%	4.20%
Payment Amount:	\$38,685.79	\$26,352.51
Payment Factor:	0.53097	0.36170

Qualifications:

1. **Pricing:** This is a lease proposal for the payment stream(s) indicated above. If any of the information identified above are not correct, please advise us so that we can determine if a new proposal is required. Other important elements of this proposal are:

a) **Rate Expiration:** Signing this proposal does not in itself lock in your rate. This lease must be credit approved, contracts properly signed, and the lease funded by Leasing 2 within thirty days from the date of this proposal to protect the rates quoted.

b) **Closing Costs:** There will be a N/A Document fee due at closing.

2. **Type of Lease:** This is a lease-purchase type of financing. After all the lease payments are made, Lessee will own the equipment.

3. **Financial Reporting:** All city, county and tax districts (including fire districts) will be expected to provide GAAP audited financial reports. All non-for profit corporations (vfd's) will be expected to provide IRS 990 federal tax returns. If you do not maintain these types of financial reports, please contact us to discuss.

4. **Vendor Payable / Escrow Account (where applicable):** In the event that the truck(s) and/or equipment are not ready to be delivered, proceeds of this lease will be held in a vendor payable account until delivery/acceptance. This is a non-interest bearing account to Lessee.

5. **Credit Approval and Documentation:** This is a proposal only, and does not represent a commitment to lease. This financing is subject to credit review and approval and execution of mutually acceptable documentation, including the opinion of lessee's counsel opining that the agreement is legal, valid and binding, and qualified as a tax exempt obligation under the tax reform act of 1986 as amended.

Lessors: **Leasing 2, Inc.**

BY: **Rick Carney** (via email or facsimile)

DATE: **April 21, 2015**

Phone: 800-287-5155 x16 rcarney@leasing2.com

www.leasing2.com

REQUEST TO PROCEED: When you are ready to proceed towards finalizing this lease, please email/fax a signed and completed proposal as indicated below. We will immediately email you "next step" instructions. There is a \$500 termination fee due if Lessee backs out of this award unless Leasing 2 is unable to provide credit approval in substantially similar terms as proposed.

Town of Windsor, VA

Option Chosen: _____ (where applicable)

Name of Lessee

Authorized Signature

Date

Contact E-Mail Address

Contact Phone

Last month of your budget year? _____

Please complete the above information and fax or email all pages of the proposal to
813-258-9333 / rcarney@leasing2.com



VML/VACo Finance - Equipment Leasing Program
 Town of Windsor, Virginia
 Series 2015

Preliminary

Dated Date: 8/1/15

Debt Service Schedule

Fiscal Yr	Coupon Date	Principal Payment	Coupon Rate	Interest Payment	Periodic Debt Service	Fiscal Debt Service	Outstanding Debt
	8/1/2015	-		-	-	-	73,000.00
2016	2/1/2016	36,499.99	1.35	492.75	36,992.74	36,992.74	36,500.01
2017	2/1/2017	<u>36,500.01</u>	1.35	<u>492.75</u>	<u>36,992.76</u>	<u>36,992.76</u>	-
		73,000.00		985.50	73,985.50	73,985.50	