

AGENDA ITEM
September 23, 2014

Subject: Fire Apparatus Lease Purchase and Refunding

Department: Finance

Bids were solicited for financing of a tanker truck and refunding of a pumper truck. The following bids were received:

Great Southern Bank	3.135%
U.S. Bancorp Government Leasing and Finance Inc.	2.308%

U.S. Bancorp Government Leasing and Finance, Inc. is the best rate and meets the specifications of our request. The amount to be financed is \$371,753.87 with an annual payment of \$59,155.10. The first payment will be due March 1, 2015.

Budget Code: 100-5-2200-319

BILL NO. 2014-063

ORDINANCE NO.

A SPECIAL ORDINANCE AUTHORIZING THE CITY OF NEVADA, MISSOURI, TO ENTER INTO A LEASE/PURCHASE AGREEMENT WITH U.S. BANCORP GOVERNMENT LEASING AND FINANCE, INC. FOR THE ACQUISITION OF A TANKER TRUCK AND THE REFUNDING OF A PUMPER TRUCK.

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF NEVADA, MISSOURI, THAT:

Section 1. The City Council hereby authorizes the City of Nevada to enter into a lease/purchase agreement with U.S. Bancorp Government Leasing and Finance, Inc. for the acquisition of a tanker truck and refunding of a pumper truck as listed in Exhibit A.

Section 2. The General Fund budget is hereby increased in the amount of \$371,753.87 to record the proceeds and expenditures for the equipment.

Section 4. The City Manager is hereby authorized and directed to execute any and all documents associated with the lease / purchase of the equipment for the City of Nevada, Missouri.

Section 5. The form of the documentation will be substantially as submitted to and reviewed by the City Council subject however to such improvements and clarifications as are agreed to between the city administration and City Attorney on behalf of the city and U.S. Bancorp Government Leasing and Finance, Inc. and its legal advisors.

Section 6. This Ordinance shall be in full force and effect from and after its final passage.

PASSED, APPROVED, AND ADOPTED by the City Council of the City of Nevada, Missouri on this _____ day of _____, 2014.

Seth Barrett, Mayor

(seal)
ATTEST:

Bev Baker, City Clerk

EXHIBIT A

EQUIPMENT SCHEDULE

Description:

Fire Pumper Truck, VIN #487CT2891BC073857,
with the following specifications;
2011 Spartan Metro Star Chassis
General Safety Pumper Apparatus Body

Name and address of Vendor:

Manufacturer:

General Safety Equipment, LLC a division of Rosenbauer America
General Division
5181 260th Street
Wyoming, MN 55092
(651) 462-1000

Dealer:

Max Fire Apparatus
1335 N Park St
Castle Rock, CO 80104
(303) 814-8746

Description:

Fire Tanker Truck, VIN #1FVACYBS08HX80761,
with the following specifications;
2008 Deep South Freightliner Tanker M2

Name and address of Vendor:

Dealer:

Brindlee Mountain Fire Apparatus
15410 US Hwy 231
Union Grove, AL 35175
(866)-285-9305

The Equipment described above will be garaged at the following address:

City of Nevada, Missouri
Fire Station
120 S. Ash
Nevada, MO 64772

AMORTIZATION SCHEDULE

Principal	Loan Date	Maturity	Loan No	Call / Coll	Account	Officer	Initials
\$371,753.87	10-14-2014	03-01-2021					
References in the boxes above are for Lender's use only and do not limit the applicability of this document to any particular loan or item. Any item above containing "*****" has been omitted due to text length limitations.							

Borrower: City of Nevada

Lender: Great Southern Bank
1451 East Battlefield
Springfield, MO 65804

Disbursement Date: October 14, 2014
Interest Rate: 3.135

Repayment Schedule: Irregular
Calculation Method: 30 /360 U.S. Rule

Payment Number	Payment Date	Payment Amount	Interest Paid	Principal Paid	Remaining Balance
1	03-01-2015	4,467.55	4,467.55	0.00	371,753.87
2	03-01-2015	53,107.70	0.00	53,107.70	318,646.17
3	09-01-2015	4,994.78	4,994.78	0.00	318,646.17
4	03-01-2016	4,994.78	4,994.78	0.00	318,646.17
5	03-01-2016	53,107.70	0.00	53,107.70	265,538.47
6	09-01-2016	4,162.32	4,162.32	0.00	265,538.47
7	03-01-2017	4,162.32	4,162.32	0.00	265,538.47
8	03-01-2017	53,107.70	0.00	53,107.70	212,430.77
9	09-01-2017	3,329.85	3,329.85	0.00	212,430.77
10	03-01-2018	3,329.85	3,329.85	0.00	212,430.77
11	03-01-2018	53,107.70	0.00	53,107.70	159,323.07
12	09-01-2018	2,497.39	2,497.39	0.00	159,323.07
13	03-01-2019	2,497.39	2,497.39	0.00	159,323.07
14	03-01-2019	53,107.70	0.00	53,107.70	106,215.37
15	09-01-2019	1,664.93	1,664.93	0.00	106,215.37
16	03-01-2020	1,664.93	1,664.93	0.00	106,215.37
17	03-01-2020	53,107.70	0.00	53,107.70	53,107.67
18	09-01-2020	832.46	832.46	0.00	53,107.67
19	03-01-2021	53,940.13	832.46	53,107.67	0.00
TOTALS:		411,184.88	39,431.01	371,753.87	

NOTICE: This is an estimated loan amortization schedule. Actual amounts may vary if payments are made on different dates or in different amounts.

DRAFT



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Government Leasing and Finance

September 8, 2014

City of Nevada, Missouri
Attn: Bev Baker, City Clerk
110 S. Ash
Nevada, Missouri 64772

At your request, U.S. Bancorp Government Leasing and Finance, Inc. ("USBGLF") has prepared for your consideration the following proposal for financing ("Proposal"). This is only a proposal and does not represent a commitment by U.S. Bancorp Government Leasing and Finance, Inc.

Customer:	City of Nevada, MO						
Lessor:	U.S. Bancorp Government Leasing and Finance, Inc.						
PROPERTY:	Refinancing current fire truck and funding for new firefighting apparatus						
EXPIRATION:	November 6, 2014						
LEASE QUOTE:	Amount	Rate	Payments	Factor	Pmts / Year	Term	Adv. / Arr.
	\$371,753.87	2.308%	See below	See below	See below	7 Years	Customized

Notes: There are no fees associated with this offer including the establishment and use of a U.S. Bank N.A. escrow account should one be required. USBGLF has a Master lease in place with the City and for this financing; a schedule 2 to the Master may be added. The City may prepay in full at any payment date, but partial prepayment will NOT be accepted. The payment schedule has been calculated with annual principal and interest payments due March 1 of each year and interest only payments due September 1 of each year. See below amortization schedule.

The Lease will be structured as a tax-exempt municipal lease, with title in the Lessee's name and USBGLF holding a security interest in the equipment during the term. The lease is "triple-net" with the Lessee responsible for taxes, maintenance and insurance. Documentation will be provided by USBGLF, including (i) standard representations, warranties and covenants by the Lessee pertaining to the accuracy of information, organization, authority, essential use, compliance with laws, pending legal action, location and use of collateral, insurance, financial reporting and financial covenants; and (ii) standard USBGLF provisions pertaining to events of default and remedies available upon default. This offer is subject to the execution of all documentation by the Lessee within a reasonable time and in form and substance acceptable to Lessee, USBGLF and USBGLF's counsel, including terms and conditions not outlined in this Proposal.

This Proposal is conditioned on there being no material adverse change in the financial condition of the Lessee. Additionally, the terms and conditions outlined herein are subject to final review and approval (including collateral and essential use review) by USBGLF's business, legal, credit, and equipment risk management personnel.

Sincerely,
Tasha Barreau

Tasha Barreau
Vice President
U.S. Bancorp Government Leasing & Finance, Inc.
Phone: 303-585-4053
Tasha.barreau@usbank.com



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Government Leasing and Finance

ACCEPTANCE:

By accepting this Proposal, Lessee acknowledges that this Proposal does not represent a commitment to provide financing but only outlines general terms and conditions of the USBGLF's financing program currently available to qualified lessees.

ACCEPTED BY:

Name / Title

dated: _____

Payment Table

Assumes a lease commencement of October 14, 2014

	Date	Payment	Interest	Principal	Balance	Prepayment Balance
Loan	10/14/2014				371,753.87	
1	3/1/2015	55,449.14	3,294.68	52,154.46	319,599.41	319,599.41
2	9/1/2015	3,705.96	3,705.96	0.00	319,599.41	319,599.41
3	3/1/2016	55,449.14	3,705.96	51,743.18	267,856.23	267,856.23
4	9/1/2016	3,105.96	3,105.96	0.00	267,856.23	267,856.23
5	3/1/2017	55,449.14	3,105.96	52,343.18	215,513.05	215,513.05
6	9/1/2017	2,499.01	2,499.01	0.00	215,513.05	215,513.05
7	3/1/2018	55,449.14	2,499.01	52,950.13	162,562.92	162,562.92
8	9/1/2018	1,885.02	1,885.02	0.00	162,562.92	162,562.92
9	3/1/2019	55,449.14	1,885.02	53,564.12	108,998.80	108,998.80
10	9/1/2019	1,263.91	1,263.91	0.00	108,998.80	108,998.80
11	3/1/2020	55,449.14	1,263.91	54,185.23	54,813.57	54,813.57
12	9/1/2020	635.60	635.60	0.00	54,813.57	54,813.57
13	3/1/2021	55,449.14	635.57	54,813.57	0.00	0.00
Grand Totals		401,239.44	29,485.57	371,753.87		