

AGENDA ITEM
February 17, 2015

Subject: Police Vehicle Lease Purchase

Department: Finance

Bids were solicited from seven vendors for the financing of police vehicles. The results are as follows:

Arvest Bank –Nevada, MO	1.84%
First National Bank – Nevada, MO	no response
Great Southern Bank – Nevada, MO	2.59%
Heritage State Bank- Nevada, MO	2.23%
Metz Banking Company – Nevada, MO	no response
Tax-Exempt Leasing Corporation – Libertyville, IL	2.57%
U.S. Bancorp Government Leasing and Finance, Inc. - Portland, OR	1.47%

U.S. Bancorp is the best rate and meets the specifications of our request. The amount to be financed is \$155,585 with an annual payment of \$32,502.61.

General Ledger Accounts: 100-4-6500 and 100-5-2000-319

BILL NO. 2015-010

ORDINANCE NO. 8033

A SPECIAL ORDINANCE AUTHORIZING THE CITY OF NEVADA, MISSOURI TO ACCEPT THE BID AND ENTER INTO A LEASE/PURCHASE AGREEMENT WITH U.S. BANCORP GOVERNMENT LEASING AND FINANCE, INC. FOR THE ACQUISITION OF FIVE POLICE VEHICLES.

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, Missouri to accept the bid and enter into a lease / purchase agreement with U.S. Bancorp Government Leasing and Finance, Inc. for the acquisition of five (5) six police vehicles in the amount of \$155,585.00.

Section 2. The City Manager is hereby authorized and directed to execute any and all documents associated with the lease / purchase of the vehicles for the City of Nevada, Missouri.

Section 3. 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 4. 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 3rd day of March, 2015.

Seth Barrett, Mayor

(seal)
ATTEST:

Bev Baker, City Clerk

BID TABULATION

DATE: 02/10/2015
DEPARTMENT: Finance
ITEM: Five (5) Ford Police Interceptor Utility AWD Vehicles
TERMS: \$155,585, Five (5) years, Annual Payments

FINANCIAL INSTITUTION	INTEREST RATE	FIVE (5) YEAR TERM	ANNUAL PAYMENT
Arvest Bank -Nevada, MO	1.84%	x	\$ 32,870.45
First National Bank - Nevada, MO	no response		
Great Southern Bank - Nevada, MO	2.59%	x	\$ 33,612.58
Heritage State Bank - Nevada, MO	2.23%	x	\$ 33,261.49
Metz Banking Company - Nevada, MO	no response		
Tax-Exempt Leasing Corporation - Libertyville, IL	2.57%	x	\$ 33,556.69
U.S. Bancorp Government Leasing and Finance, Inc. - Portland, OR	1.47%	x	\$ 32,502.61



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Government Leasing and Finance

February 4, 2015

City of Nevada
110 South Ash Street
Nevada, MO 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:	Police Vehicles						
EXPIRATION:	April 3, 2015						
LEASE QUOTE:	Amount	Rate	Payments	Factor	Pmts / Year	Term	Adv. / Arr.
	155,585.00	1.47%	32,502.61	0.2089058	1	60 Months	Arrears

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.

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
Email: 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 Schedule

Assumes a start date of March 27, 2015

Totals	162,513.04	155,585.00	6,928.04	0.00
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<u>Pay #</u>	<u>Date</u>	<u>Payment</u>	<u>Principal</u>	<u>Interest</u>	<u>Ending Balance</u>
1	27-Mar-2016	32,502.61	30,215.51	2,287.10	125,369.49
2	27-Mar-2017	32,502.61	30,659.68	1,842.93	94,709.81
3	27-Mar-2018	32,502.61	31,110.37	1,392.23	63,599.44
4	27-Mar-2019	32,502.61	31,567.70	934.91	32,031.74
5	27-Mar-2020	32,502.61	32,031.74	470.87	0.00

Arvest Equipment Finance

6300 Nall Ave
Mission, KS 66202
(913) 279-3369

Date: Friday, February 06, 2015

Provided for: Larry Shellhorn

Provided by: Eric Bunnell
Equipment Finance Specialist

Customer: City of Nevada, MO

Customer Location: Nevada, MO

Equipment Description: (5) 2015 Ford Interceptor Utility AWD police cars with equipment

Equipment Cost: **\$155,585(need invoice for evaluation; not to exceed 100% of costs)**

Delivery Date: 1st Quarter 2015

Term (months): Fixed Rate 1.84% Bank Qualified Tax Exempt
5 annual payments @ \$32,870.45 beginning March 2016

Structure Type: Municipal Lease

Residual (\$): None

Advance / Arrears: Arrears

Documentation/Filing Fee: \$0

Guarantors: None

The above quote assumes the following:

- **PAYMENTS HAVE NO APPLICABLE TAXES ADDED**
- Proposal is pending the review of requested financial information, equipment valuation, and subsequent approval of same.
- Proposal is valid until April 1, 2015
- Rate is indexed to a FHLB spread and subject to bank qualified tax exempt status.
- Title of cars will remain in City's name.

Thank you for the opportunity to provide this proposal. There are other financing options available. If after your review you would like to pursue another alternative, please feel free to contact me via phone @ 913-553-0922, via facsimile at 913-279-3378 or via email at ebunnell@arvest.com.

Compound Period : Monthly

(2)

Nominal Annual Rate : 1.840 %

CASH FLOW DATA

Event	Date	Amount	Number	Period	End Date
1 Loan	03/01/2015	155,585.00	1		
2 Payment	03/01/2016	32,870.45	1		
3 Payment	03/01/2017	32,870.45	1		
4 Payment	03/01/2018	32,870.45	1		
5 Payment	03/01/2019	32,870.45	1		
6 Payment	03/01/2020	32,870.45	1		

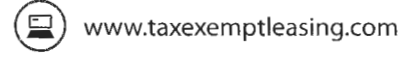
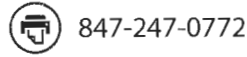
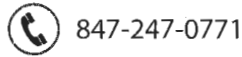
AMORTIZATION SCHEDULE - Normal Amortization

Date	Payment	Interest	Principal	Balance
Loan 03/01/2015				155,585.00
2015 Totals	0.00	0.00	0.00	
1 03/01/2016	32,870.45	2,887.03	29,983.42	125,601.58
2016 Totals	32,870.45	2,887.03	29,983.42	
2 03/01/2017	32,870.45	2,330.66	30,539.79	95,061.79
2017 Totals	32,870.45	2,330.66	30,539.79	
3 03/01/2018	32,870.45	1,763.96	31,106.49	63,955.30
2018 Totals	32,870.45	1,763.96	31,106.49	
4 03/01/2019	32,870.45	1,186.75	31,683.70	32,271.60
2019 Totals	32,870.45	1,186.75	31,683.70	
5 03/01/2020	32,870.45	598.85	32,271.60	0.00
2020 Totals	32,870.45	598.85	32,271.60	
Grand Totals	164,352.25	8,767.25	155,585.00	

Funding Date:	03/01/2015	Compounding:	U.S. Rule	Principal:	155,585.00
First Payment Date:	03/01/2016	Period:	Actual/360	Initial Interest Rate:	0.000%
		Pmt Schedule:	Annually	Interest Rate:	2.230%
				Pmt Amount:	33,261.49

Payment Number	Payment Date	Payment Days	Payment Amount	Interest Amount	Principal Reduction	Outstanding Balance	Equity Built
1	03/01/2016	366	\$33,261.49	3,527.37	29,734.12	125,850.88	\$29,734.12
2	03/01/2017	365	\$33,261.49	2,845.45	30,416.04	95,434.84	\$60,150.16
3	03/01/2018	365	\$33,261.49	2,157.76	31,103.73	64,331.11	\$91,253.89
4	03/01/2019	365	\$33,261.49	1,454.51	31,806.98	32,524.13	\$123,060.87
5	03/01/2020	366	\$33,261.49	737.38	32,524.11	.02	\$155,584.98
2020	Totals:		166,307.45	10,722.47	155,584.98		
Grand Totals:			166,307.45	10,722.47	155,584.98		

This amortization schedule is provided to you for your convenience. The amortization may include estimates based upon information provided by you. Actual terms of credit offered by us may vary from this amortization schedule. The outstanding balance shown above will vary from your actual outstanding balance owed to the Bank because of the timing of payments.



February 4, 2015

Bev Baker
City Clerk
City of Nevada

Dear Bev:

I am pleased to provide the following quote for City of Nevada for the financing of 5 new police vehicles and equipment. This quote is valid on or before March 15, 2015 and is subject to credit review and proper documentation.

Equipment Cost (Approximate):	\$155,585.00
Down Payment:	\$0.00
Financed Amount:	\$155,585.00
Payment Frequency:	Annual
Term:	5-years, in arrears
Rate*:	2.57%
# of Payments	Five (5)
Payment*:	\$33,556.69
Factor^:	.21568
Fees:	None

** Rate and payment assumes that the Customer is a tax-exempt entity and the purchase of the equipment falls within the type of equipment allowed as tax-exempt under the I.R.S. Code. In the event this purchase is not exempt, the rate and payments will be adjusted accordingly. Further, it is assumed that the transaction will be "bank-qualified" and that the customer will not issue more than \$10 million in tax-exempt leases or bonds in the current calendar year.*

^ Factor is based on quoted rates. If the equipment cost changes or a down payment is made, the new payment amount can be calculated by multiplying the new financed amount by the rate factor.

Note: If the equipment will require a "build-out period", the financed amount will be placed into an escrow account at lease signing and funds disbursed as instructed by the customer.

I have attached an application that must be completed in order to proceed with the credit process. In addition, we will need copies of the City's last 2-years of audited financial statements and a copy of the current interim financial statement. Also, we need dealer and equipment information. Once these items are gathered, please fax the information to 847-247-0772 or e-mail to curts@taxexemptleasing.com.

I appreciate this opportunity and look forward to proceeding. Please let me know if I can answer any questions. I can be reached at 847-247-0771.

Kind Regards,

Curt Schroeder
Account Executive

Nevada, Missouri
Sample Payment Schedule

Compound Period: Annual
Nominal Annual Rate: 2.570%

CASH FLOW DATA

Event	Date	Amount	Number	Period	End Date
1 Loan	3/15/2015	\$ 155,585.00	1		
2 Payment	3/15/2016	\$ 33,556.69	5	Annual	3/15/2020

AMORTIZATION SCHEDULE - Normal Amortization, 360 Day Year

	Date	Payment	Interest	Principal
Loan	3/15/2015			
1	3/15/2016	\$ 33,556.69	\$ 3,998.53	\$ 29,558.16
2	3/15/2017	\$ 33,556.69	\$ 3,238.89	\$ 30,317.80
3	3/15/2018	\$ 33,556.69	\$ 2,459.72	\$ 31,096.97
4	3/15/2019	\$ 33,556.69	\$ 1,660.53	\$ 31,896.16
5	3/15/2020	\$ 33,556.69	\$ 840.78	\$ 32,715.91
Grand Totals		\$ 167,783.45	\$ 12,198.45	\$ 155,585.00

AMORTIZATION SCHEDULE

Principal	Loan Date	Maturity	Loan No	Call / Coll	Account	Officer	Initials
\$155,585.00	02-10-2015	02-10-2020					
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: February 10, 2015
Interest Rate: 2.590

Repayment Schedule: Installment
Calculation Method: 365/360 U.S. Rule

Payment Number	Payment Date	Payment Amount	Interest Paid	Principal Paid	Remaining Balance
1	02-10-2016	33,612.58	4,085.62	29,526.96	126,058.04
2	02-10-2017	33,612.58	3,319.32	30,293.26	95,764.78
3	02-10-2018	33,612.58	2,514.76	31,097.82	64,666.96
4	02-10-2019	33,612.58	1,698.14	31,914.44	32,752.52
5	02-10-2020	33,612.58	860.06	32,752.52	0.00

TOTALS: **168,062.90** **12,477.90** **155,585.00**

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

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