

Town of Windsor

Memorandum

July 11, 2017

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

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

The budgeted amount for the purchase of these vehicles is \$120,000, or \$60,000 for this fiscal year and the next. We anticipate the total cost of these vehicles to be around \$115,000 or \$5,000 under budget.

I have attached the breakdown of the costs.

As we did last year, we have reached out to VML/VACo finance to secure the lease for these vehicles. As you can see, VML/VACo is offering a rate of 1.69. 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 move forward with the purchase of the three police vehicles and execute any required documents.

Recommended Motion

Move that Council authorize and direct the manager to move forward with the purchase of the three police vehicles and execute any required documents.



919 E. Main Street, Suite 1100
Richmond, Virginia 23219
(804) 648-0635

J. Kenneth Folk
Financial Services Manager

July 5, 2017

MEMORANDUM

To: Mr. Michael Stallings – Town Manager
From: J. Kenneth Folk *JKF*
Re: VML/VACo Equipment Leasing – Town of Windsor, Virginia
Results of Bids for police vehicles

We are pleased to present the results of our request for bids related to the Town of Windsor's lease purchase financing for new police vehicles.

VML/VACo Finance solicited bids from several banks, including local, regional, and national financial institutions. Blue Ridge Bank submitted the winning bid with an interest rate of 1.69% fixed for 2 years. The preliminary plan of finance is detailed below:

Program	VML/VACo Equipment Leasing Program
Borrower	Town of Windsor, Virginia
Program Administrator	VML/VACo Finance
Purpose	Lease financing for new police vehicles
Security Pledge	Equipment Lease
Tax Treatment	Tax-exempt and Bank Qualified
Lease Amount	\$114,320 <i>(includes \$2,000 fee)</i>
Final Maturity	February 1, 2019

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Amortization	Fully amortizing with level, annual debt service payments
Principal & Interest Due	Annually on February 1st, commencing February 1, 2018
Call Provision	Pre-payable any time, without penalty
Anticipated Closing Date	July 28, 2017

Please note that Blue Ridge Bank's bid is subject to final credit approval and acceptable documentation. A preliminary payment schedule is attached for your review.

I will give you a call to follow up and discuss next steps. In the meantime, don't hesitate to call me with any questions. We look forward to working with you on this financing.

Thank you.

Attachments

Preliminary Amortization Schedule

<u>Date</u>	<u>Principal</u>	<u>Rate</u>	<u>Interest</u>	<u>Payment</u>	<u>Balance</u>
7/28/2017	-		-	-	114,320.00
2/1/2018	56,681.05	1.69%	1,932.01	58,613.05	57,638.95
2/1/2019	<u>57,638.95</u>	1.69%	<u>974.10</u>	<u>58,613.05</u>	-
	114,320.00		2,906.11	117,226.11	

Michael Stallings

From: Rodney Riddle <riddle@windsor-va.gov>
Sent: Tuesday, June 27, 2017 2:11 PM
To: Michael Stallings
Subject: CIP Police Vehicles
Attachments: FY 17-18 Vehicle Purchase.pdf

Sir,

The attached document show quotes for the three vehicles and the emergency equipment packages for them. Total for the three vehicles with quotes is \$108,320.00. We will need another \$4000.00 to wrap the doors, apply decals and strip old cars. Estimated total is \$112,320.00 under the budgeted \$120,000.00.

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R.D. "Dan" Riddle
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Windsor Police Department
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