City of Round Rock

221 East Main Street
Round Rock, Texas 78664

Legislation Details (With Text)

File #:	2017-4748		
Type:	Resolution	**Status:**	Approved
File created:	8/25/2017	**In control:**	City Council
On agenda:	9/14/2017	**Final action:**	9/14/2017
Title:	Consider a resolution authorizing the Mayor to execute a Master Lease-Purchase Agreement with Frost Bank to lease-purchase vehicles and heavy equipment.		
Sponsors:			
Indexes:	General Debt Service Fund		
Code sections:			
Attachments:	1. Resolution, 2. Exhibit A, 3. Form 1295, 4. Bid tab		

Date	Ver.	Action By	Action	Result
9/14/2017	1	City Council	approve	Pass

Consider a resolution authorizing the Mayor to execute a Master Lease-Purchase Agreement with Frost Bank to lease-purchase vehicles and heavy equipment.

Each year the City acquires a portion of its heavy equipment and vehicles through a tax-exempt leasing program. The current year's total for the program is $3,000,000 financed at an effective interest rate of 1.699%, with a five year amortization. The first year repayment is included in the 2017/18 operating budget. The financing arrangement is done through a competitive bidding process, with Frost Bank providing the lowest cost financing this year.

This lease includes vehicles and equipment for all General Fund departments that were acquired during the current fiscal year.The equipment was included as planned lease financing purchases in the adopted 2017/18 budget.

Tax-exempt lease purchase financing is a technique that allows for the City to purchase equipment and make periodic lease payments over the useful life of the asset. Lease payments are made out of the debt portion of the property tax rate.

Cost: $3,000,000
Source of Funds: General Debt Service Fund

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