Legislation Details (With Text)

File #:	2020-0319		
Type:	Resolution	**Status:**	Approved
File created:	10/26/2020	**In control:**	City Council
On agenda:	11/12/2020	**Final action:**	11/12/2020
Title:	Consider a resolution expressing official intent to reimburse cost of acquiring certain vehicles and equipment.		
Sponsors:			
Indexes:	General Self-Financed Purchases		
Code sections:			
Attachments:	1. Resolution, 2. Exhibit A		

Date	Ver.	Action By	Action	Result
11/12/2020	1	City Council	approve	Pass

Consider a resolution expressing official intent to reimburse cost of acquiring certain vehicles and equipment.

The adopted FY2020-21 budget includes the purchase of vehicles and related equipment for General Fund departments totaling $3,000,000. The list of vehicles and equipment are presented in Exhibit A. The City's practice has been to acquire these items with cash and subsequently finance them for five years through a tax-exempt leasing agreement that is bid out late in the fiscal year. Because of the tax-exempt nature of the financing, Internal Revenue Service regulations require the City to officially approve its intentions before the transaction is completed. This type of financing allows the City to replace equipment and rolling stock in a timely manner as requirement criteria are met.

The adopted FY2020-21 budget assumes lease funding for these vehicle and equipment purchases.

Payment of principal and interest for this five-year lease financing is funded from the debt service portion of the property tax rate in the subsequent year.

Cost: $3,000,000
Source of Funds*: *General Self-Financed Purchases

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