



Legislation Details (With Text)

File #: 2015-2927
Type: Resolution **Status:** Passed
File created: 10/1/2015 **In control:** City Council
On agenda: 11/12/2015 **Final action:** 11/12/2015
Title: Consider a resolution expressing official intent to reimburse cost of acquiring certain vehicles and equipment.

Sponsors:

Indexes:

Code sections:

Attachments: 1. Resolution

| Date | Ver. | Action By | Action | Result |
|------------|------|--------------|---------|--------|
| 11/12/2015 | 1 | City Council | approve | Pass |

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

The adopted 2015-16 budget includes the purchase of vehicles and related equipment for General Fund departments totaling \$2,500,000. 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 state its intentions before the transaction is completed. This type of financing allows the City to acquire new equipment and replace equipment and rolling stock in a timely manner as requirement criteria are met. Payment of principle and interest for the five year amortization of this obligation is funded from the debt service portion of the property tax.

Staff recommends approval.