



Legislation Details (With Text)

File #: 2021-280
Type: Resolution
Status: Approved
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In control: City Council
On agenda: 10/28/2021
Final action: 10/28/2021
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

Date	Ver.	Action By	Action	Result
10/28/2021	1	City Council	approve	Pass

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

The adopted FY2021-22 budget includes the purchase of vehicles and related equipment for General Fund departments totaling \$3,000,000. The City's practice has been to acquire these items with cash and subsequently finance them for five years through five-year limited tax notes or 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 FY2021-22 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