



## Legislation Text

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

The adopted FY2019-20 budget includes the purchase of vehicles and related equipment for General Fund departments totaling \$3,500,000. 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. Included on this list is one piece of new equipment, a brush truck with a grappling arm for PARD.

The adopted FY2019-20 budget assumes lease funding for these vehicle and equipment purchases.

Payment of principle 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: \$3,500,000**

**Source of Funds: General Self Financed Purchases**