



Legislation Details (With Text)

File #:	19-780	Version:	1	Name:	
Type:	Consent	Status:		Agenda Ready	
File created:	4/29/2019	In control:		City Council Regular Meeting	
On agenda:	5/13/2019	Final action:			
Title:	Approval of Installment Financing for Vehicles and Equipment from Bank of America				
Sponsors:					
Indexes:					
Code sections:					
Attachments:	1. 2019 RFP Installment Agreement - Vehicles, 2. Fayetteville Bank Bid Summary 4.25.19, 3. 2019 Vehicles List, 4. Installment Financing Agreement-Fayetteville 2019 IFA (Vehicles), 5. Security Agreement-Fayetteville 2019 IFA (Vehicles), 6. Approving Resolution-Fayetteville 2019 IFA (Vehicles)				

Date	Ver.	Action By	Action	Result
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TO: Mayor and Members of City Council

THRU: Telly Whitfield Ph.D., Assistant City Manager

FROM: Jay C. Toland, CMA, Chief Financial Officer

DATE: May 13, 2019

RE:
Approval of Installment Financing for Vehicles and Equipment from Bank of America

COUNCIL DISTRICT(S):
All

Relationship To Strategic Plan:

GOAL V: Fayetteville will have unity of purpose and sustainable capacity across the organization to ensure strong financial management with fiduciary accountability and plan for the future resource sustainability by aligning resources with City priorities.

Executive Summary:

The City has issued an RFP for various equipment and vehicles. Staff is recommending Bank of America to provide the financing

Background:

In the approved 18-19 Budget council authorized to move forward with vehicle and equipment financing.

On April 3, 2019, staff electronically distributed a request for proposals (RFP's) to financial institutions. The RFP was for an amount not to exceed \$2,555,000 for the purpose of financing the vehicles and equipment. The desired term of financing was 48 months with a fixed interest rate for the entire term.

On April 24, 2019, the City received financing proposals from 17 financial institutions. Staff has evaluated the proposals and recommends that Council authorize the execution of a financing agreement with Bank of America, which provided the lowest cost of financing and the most favorable non-financial terms, such as contract compliance with e-verify, title holding and more favorable pre-payment terms. The proposal terms include a financing amount of \$2,555,000 with an interest rate of 2.4267% for a term of 48 months and a fixed interest rate for the entire period.

With the attached resolution, the City Council would be approving the attached Installment Financing Agreement and Security Agreement in substantially the forms presented at this meeting. The Mayor, the City Manager and the Chief Financial Officer of the City would each be authorized to execute and deliver the documents in substantially the forms presented at this meeting. The City Clerk or Deputy City Clerk of the City would be authorized and directed to affix the official seal of the City to said documents and to attest to the extent required.

Issues/Analysis:

Bank of America Inc. provided the lowest interest rate costs and the most favorable non-financial terms, as shown in the attached summary of proposals.

Budget Impact:

The FY2018-2019 budget includes sufficient funds to cover the debt service associated with financing the vehicle and equipment financing

Options:

Accept the financing proposal received from Bank of America, and approve the resolution authorizing the execution and delivery of an installment financing agreement and related documents in connection with the financing of vehicles and equipment for the City.

Accept one of the other financing proposals, and authorize the execution of an agreement with the selected financial institution.

Do not accept one of the financing proposals and provide guidance to staff.

Recommended Action:

Staff recommends that City Council accept the financing proposal received from Bank of America, authorize the execution of the financing agreement, and approve the resolution authorizing the execution and delivery of an installment financing agreement and related documents in connection

with the financing of vehicles and equipment for the City

Attachments:

RFP 2019 Vehicle and Equipment

Summary of Proposals

Bank of America Financing Proposal

Approving Resolution - Draft

Installment Financing Agreement - Draft

Security Agreement - Draft

Vehicle and Equipment List