



Heavy Equipment Leasing

Lease/Purchase Agreement,

Draw #3

**(Backhoe Loader and Street
Sweeper)**

November 16, 2021

Background on Vehicle Needs

- City Council authorized \$474K in heavy equipment purchases of the vehicles at 10/19 meeting
- M4 Mechanical Street Sweeper (\$316K)
 - Delivery timing: 6 months
- 420 Backhoe Loader (\$158K)
 - Delivery Timing: available for delivery upon purchase



Financing Overview

- City plans to utilize a third draw on the City's existing line of credit with Bank of America
- 10-year term to tie to useful life of the vehicles
- 1.68% locked interest rate, fixed through final maturity; level semi-annual repayments of \$26,400



Financing Timing

October 19: City Council approved the equipment purchases

December 7:
Closing/funding of equipment lease for vehicle purchases

November 16: City Council consideration of 3rd Draw on MELPA



Recommendation

Adopt a Resolution authorizing the execution and delivery of an equipment schedule to the Master Equipment Lease/Purchase Agreement for acquisition, financing, and leasing equipment



Questions?

