



**REQUEST FOR COMMISSION ACTION**  
**CITY OF INDEPENDENCE**  
**March 28, 2019**

**Department** Finance

**Director Approval** Lacey Lies

**AGENDA ITEM** Lease/Purchase Agreement for financing of 2019 Rosenbauer 101' Aerial Fire Truck.

**SUMMARY RECOMMENDATION** City Staff recommends accepting the lease/purchase proposal to finance \$597,896.00 for seven years at a fixed rate of 3.44% for the purchase of a 2019 Rosenbauer Aerial Platform Truck, using Mercy funds as a down payment with the remaining balance financed with a lease/purchase agreement, funded from the Project Reserve (5 mills) Fund.

**BACKGROUND** The City Commission approved the purchase of the 2019 Rosenbauer Aerial Fire Truck on October 11, 2018 for a purchase price of \$897,869. The City received authorization from Mercy Hospital to use \$300,000 of the Mercy Capital Grant as a down payment on the purchase with the remaining balance to be funded with a lease purchase agreement. Delivery of the Rosenbauer unit to the City will occur in April 2019.

The City received the following lease/purchase proposals for financing \$597,896 over seven years with annual payments:

<b>FINANCING INSTITUTION</b>	<b>TERM</b>	<b>PMT FREQUENCY</b>	<b>RATE</b>
<b>COMMUNITY NATIONAL BANK</b>	<b>7 YEARS</b>	<b>ANNUAL</b>	<b>3.44%</b>
COMMERCIAL BANK	7 YEARS	ANNUAL	3.93%
FIRST OAK BANK	7 YEARS	ANNUAL	4.70%
EQUITY BANK	7 YEARS	ANNUAL	NO OFFER
COMMUNITY LEASING PARTNERS	7 YEARS	ANNUAL	3.38%

City Staff is recommending Community National Bank's proposal which was slightly higher than the lowest proposal submitted by Community Leasing Partners of Manhattan, Kansas, in order to support our banking partners doing business in our community.

**BUDGET IMPACT** The purchase of the 2019 Rosenbauer Aerial Platform Truck is being funded by a \$300,000 down payment made from the Mercy Capital Grant. The remaining \$597,896 will be funded by a lease/purchase agreement, with an annual payment of \$97,557.56 financed over seven years with the first payment due on April 1, 2020. The annual payments

will be funded by the Project Reserve (5 mills) Fund. The annual lease/purchase payment was incorporated in the 2019 Approved Budget and six-year Capital Improvement Program, and the Mercy fund has \$300,000 remaining for the down payment.

**SUGGESTED MOTION** I move to accept the Lease/Purchase agreement from Community National Bank for the financing of the 2019 Rosenbauer Aerial Fire Truck for \$597,896 as presented and authorize the Mayor to sign all documents related to the agreement.

**SUPPORTING DOCUMENTS** Lease/Purchase Agreement