

CITY COUNCIL AGENDA REQUEST FORM

Today's date: 10 / 25 / 16

Date of meeting 11 / 02 / 16

(City Council meetings are held the 1st and 3rd Wednesday of each month.)

Name of Citizen, Organization, Elected Official, or Department Head making request:

Shannon Syth, City Finance Director/Treasurer

Address: 1123 Lake Street

Phone number and email address: 208-263-3557 / ssyth@sandpointidaho.gov

Authorized by: Shannon Syth, Treasurer

name of City official

City official's signature

(Department Heads, City Council members, and the Mayor are City officials.)

Subject: Proposed Municipal Lease Financing for Fire Command Vehicle approved in 2017 Budget

Summary of what is being requested: Approve Columbia Bank's proposal for municipal lease financing of the 2016 Ford F150 and authorize the Mayor to sign the lease agreement after legal review.

The following information MUST be completed before submitting your request to the City Clerk:

1. Would there be any financial impact to the city? **Yes or No**

If yes, in what way? As budgeted

2. Name(s) of any individual(s) or group(s) that will be directly affected by this action:

Have they been contacted? **Yes or No**

3. Is there a need for a general public information or public involvement plan? **Yes or No**

If yes, please specify and suggest a method to accomplish the plan:

4. Is an enforcement plan needed? **Yes or No** Additional funds needed? **Yes or No**

5. Have all the affected departments been informed about this agenda item? **Yes or No**

This form must be submitted no later than 6 working days prior to the scheduled meeting. All pertinent paperwork to be distributed to City Council must be attached.

ITEMS WILL NOT BE AGENDIZED WITHOUT THIS FORM

**CITY OF SANDPOINT
AGENDA REPORT**

DATE: October 25, 2016

TO: MAYOR AND CITY COUNCIL

FROM: Treasurer, Shannon Syth

SUBJECT: Municipal Lease Financing for 2016 Ford F-150 (Fire Command Vehicle)

DESCRIPTION/BACKGROUND: A requests for proposal was sent to local banks seeking municipal lease financing for a 2016 Ford F-150 budgeted by the Fire Department for the current fiscal year. Specific terms were defined by the proposal; \$7,300 down payment, annual installments over a 3 year term with first payment due November 1, 2017.

Three proposals were received with varying interest rates and other associated costs for financing. See attached summary of proposals.

STAFF RECOMMENDATION: Staff recommends approving the proposal from Columbia Bank. While the interest rate is a tad higher there are no document fees resulting in the least cost for the City.

ACTION: Move to approve the proposal from Columbia Bank reflecting an interest rate of 3.15% with no other additional financing charges and to authorize the Mayor to sign the lease documents after legal review.

WILL THERE BE ANY FINANCIAL IMPACT? Yes, as budgeted

HAS THIS ITEM BEEN BUDGETED? Yes

ATTACHMENTS: ARF, 3 proposals, summary of proposals

FISCAL YEAR 2017
 2016 Ford F-150 4X4 w/extended cab
 RFP Summary

Request for proposal:

Amount financed: \$28,217.15
 Down payment: \$7,300.00
 Financing term: 36 months
 Payment interval: Annual
 First payment date: November 1, 2017
 Anticipated closing date: On or before November 18, 2016
 Financing fund: General Fund

| Responses: | <u>Columbia Bank</u> | <u>Mountain West</u> | <u>Washington Trust</u> |
|---------------------------|-----------------------------|-----------------------------|--------------------------------|
| Interest Rate: | 3.15% | 2.64% | ? |
| Total Interest: | 1,331.00 | 1,114.02 | 1,852.85 |
| Document Fee: | - | 250.00 | 300.00 |
| Purchase Option: | - | - | 101.00 |
| End-of-term: | - | - | 1.00 |
| Total Cost to City | 1,331.00 | 1,364.02 | 2,254.85 |



October 13, 2016

Request for Proposals Municipal Lease for Fire Command Vehicle

Deadline to Submit Proposal: October 25, 2016, 12:00 p.m. PDT

The City of Sandpoint, Bonner County, Idaho, is considering municipal lease purchase financing for a budgeted 2016 Ford F150 4X4 with extended cab and is seeking proposals for the same. The proposals should identify amortization payment schedules and lease purchase maturity. The proposals for the lease purchase should be a fixed rate for the entire term of the financing and must be maintained for sixty (60) days from the due date of the proposal or until the lease purchase closing date, whichever occurs first. Below are the terms of the financing:

| | |
|----------------------------------|--------------------------------|
| Total Amount Financed: | \$28,217.15 |
| Down Payment to bank at closing: | \$ 7,300.00 |
| Financing Term: | 36 months |
| Payment Interval: | Annual |
| First Payment Date: | November 1, 2017 |
| Anticipated Closing Date: | On or before November 18, 2016 |
| Fund: | General Fund |

Proposals are to be emailed to the contact information below and need to be received no later than 12:00 PM (PST), Tuesday October 25, 2016. The City reserves the right to reject any and all proposals at its absolute discretion. All proposals are subject to approval by the City Council.

Please forward responses to:

Shannon Syth
Finance Director
ssyth@sandpointidaho.gov



Columbia Bank
 Sandpoint Branch
 414 Church Street, Ste. 100
 P.O. Box 967
 Sandpoint, ID 83864

October 24, 2016

Ms. Shannon Syth.
 Sandpoint City Treasurer
 1123 Lake Street
 Sandpoint, ID 83864

Re: Request for Proposal, City of Sandpoint for a 2016 Ford F150 4x4 extended cab.

Dear Ms. Syth:

Columbia Bank (CB) "The Bank" is pleased to present you with this proposal for lending services. Please be advised that this letter of interest is not a commitment by Columbia Bank to provide lease agreement but rather an expression of interest by the Bank to evaluate a request. However, should a requested lease be approved by appropriate authorities within the Bank, the interest rate proposed would be made available subject to other proposed terms herein.

Should you desire a different maturity date or amortization, please advise us so that this letter of interest may be modified to more appropriately meet your needs.

Borrower: City of Sandpoint.

Lease Purpose: Municipal lease for the purchase of a 2016 Ford F150 4x4 extended cab.

Lease Amount: Approximately \$20,917.15

Interest Rate: Interest rate would be a fixed rate of 3.15%. This rate is good through the month of December 2016 unless extended in writing by Bank.

Interest Calculation Method Interest on this Lease is computed on a 360/365 basis; that is, by applying the ratio of the interest rate over a year of 360 days, multiplied by the outstanding principal balance, multiplied by the actual number of days the principal balance is outstanding. All interest payable under this Lease is computed using this method.

Payments: City will pay \$7300.00 of the purchase price of the Ford F 150 Truck and will then have three years of annual payments beginning November 1, 2017 and ending November 1, 2019 on a balance of \$20,917.15.

Payment Schedule:

| Date | Beg Principle | Interest Pmt | Principal Pmt | End Principal | Total Interest |
|-----------|---------------|--------------|---------------|---------------|----------------|
| 11/1/2017 | 20,917 | 659 | 6,757 | 14,160 | |
| 11/1/2018 | 14,160 | 446 | 6,970 | 7,190 | |
| 11/1/2019 | 7,190 | 226 | 7,190 | 0 | 1,331 |

Lease Term: Three years.

Lease Fee: None

Collateral: 2016 Ford F 150 4x4 extended cab pickup



Mountain West Bank

Division of Glacier Bank

Commercial Lending Center
802 W. Bannock St., Suite 1100
Boise, ID 83702
Phone 208.855.9106
Fax 208.345.2232
www.mountainwestbank.com

October 17, 2016

City of Sandpoint
1123 Lake St.
Sandpoint, ID 83864-1714

Attention: Shannon Syth, Finance Director

Mountain West Bank is pleased to provide you with the following lease finance quote for the acquisition of the 2016 Ford F150.

Equipment: 2016 Ford F150 4X4
Cost: \$28,217.15
Advance Payment: \$ 7,300.00
Payments: 3 annual payments of \$7,343.72
Interest Rate: 2.64% APR
Documentation Fee: \$250.00

| <u>Payment No.</u> | <u>Payment</u> | <u>Principal</u> | <u>Interest</u> | <u>Balance</u> |
|--------------------|----------------|------------------|-----------------|----------------|
| 1 | \$7,300.00 | \$7,300.00 | 0.00 | \$20,917.15 |
| 2 | \$7,343.72 | \$6,791.51 | \$552.21 | \$14,125.64 |
| 3 | \$7,343.72 | \$6,970.81 | \$372.92 | \$7,154.83 |
| 4 | \$7,343.72 | \$7,154.83 | \$188.89 | 0.00 |

Thanks for the opportunity,

Nick Brunelle
Equipment Finance
Mountain West Bank
#208-887-5077

October 25, 2016

City of Sandpoint

Finance Director-Shannon Syth

1123 Lake Street

Sandpoint, ID 83864

Re: Municipal lease

Dear Shannon,

Washington Trust Bank is pleased to provide the attached municipal lease financing commitment to the City of Sandpoint for the purchase of a 2016 Ford F150 4x4 extended cab pickup.

If you have any questions regarding the municipal lease financing proposal please contact me at 208-263-6104 or by email at epaull@watrust.com

Thank you for giving Washington Trust Bank the opportunity to provide you with this financing commitment.

Sincerely,



Eric Paull

VP Commercial Banking-Sandpoint

NMLS #796243

208-263-6104 (work)

208-946-7527 (cell)

epaull@watrust.com



Tuesday, October 18, 2016

Eric Paull
Re: City of Sandpoint

Dear Eric:

I appreciate the information you have provided and we are pleased to provide you with the following lease proposal. This proposal is subject to final credit approval and assumes use of our standard documentation. Unless previously extended in writing, this proposal will expire 30 days from today's date. All pricing is net of applicable taxes.

| | |
|---------------------------|--|
| Lessee: | City of Sandpoint |
| Lessor: | BancLeasing, LLC and/or its Assigns |
| Equipment Type: | 2016 F-150 |
| Equipment Cost: | \$28,217.15 |
| Base Lease Commencement: | 1st of the month following total equipment installation & acceptance |
| Payments Due: | In advance (1st of the month) |
| Purchase Option: | \$101.00 |
| Base Lease Term: | 36 months |
| Annual Payments: | \$7,590 (plus tax, if applicable) --- first payment due 11-1-17 |
| Advance Payments: | \$7,300 (plus tax, if applicable) due at lease signing |
| End-of-term: | Purchase the equipment for \$1.00 |
| Documentation Fee: | \$300.00 |
| Miscellaneous Conditions: | TBD |
| Lease Payment Adjustment: | The lease payment is fixed from the Commencement Date to the end of the initial lease term. It may be adjusted on the Commencement Date to reflect any upward change from the date of this proposal by the Federal Home Loan Bank five year amortized rates. |
| Lease Accounting: | The lessee and/or its accountants are responsible for determining Lessee's accounting treatment of any lease schedule, including lease classification and tax treatment. |

Thank you for the opportunity to work with you. Please do not hesitate to contact me should you have any questions or if you need additional information.

Kindest Regards,

Richard D. Lee
Senior Account Executive
BancLeasing, LLC
PH: 214.778.1842
CELL: 214.293.3642
rlee@bancleasing.com

Agreed To & Accepted By:

Lessee: City of Sandpoint

Signature: _____

Name: _____

Title: _____ Date: _____

No: 16-
Date: November 2, 2016

RESOLUTION
OF THE CITY COUNCIL
CITY OF SANDPOINT

**TITLE: APPROVAL OF COLUMBIA BANK LEASE PURCHASE FINANCING FOR
2016 FORD F-150 FIRE COMMAND VEHICLE**

WHEREAS: The City desires to purchase a 2016 Ford F-150 to be used as the new Fire Command Vehicle, which is provided for within the current fiscal year budget;

WHEREAS: Columbia Bank has offered the City a municipal lease purchase arrangement in order to purchase the truck, with the City making a down payment of \$7,300; and

WHEREAS: The agreement with Columbia Bank will provide for a municipal lease for the purchase of a 2016 Ford F-150 in the amount of \$28,217.15, at 3.15% interest, to be repaid with annual payments over the course of 36 months, November 2017 through October 2020.

NOW, THEREFORE, BE IT RESOLVED THAT: With the City Attorney's review and approval, a lease purchase agreement from Columbia Bank containing the terms set out above is approved, and the Mayor is authorized to sign all documents related to this lease purchase agreement.

Shelby Rognstad, Mayor

ATTEST:

Maree Peck, City Clerk

City Council Members:

YES NO ABSTAIN ABSENT

1. Eddy
2. Aitken
3. Williamson
4. Camp
5. Ruehle
6. Snedden