



## Legislation Details (With Text)

**File #:** 000398      **Version:** 0      **Name:** Florida Municipal Loan Council Equipment Financing Program (B)  
**Type:** Resolution      **Status:** Passed  
**File created:** 9/11/2000      **In control:** City Manager  
**On agenda:**      **Final action:** 9/11/2000  
**Title:** Florida Municipal Loan Council Equipment Financing Program (B)

**Sponsors:**

**Indexes:**

**Code sections:**

**Attachments:** 1. 000398\_Exhibit B Form of Loan Agreement\_20000911, 2. 000398\_Exhibit c Form Continuing Disclosure Agreement\_20000911, 3. 000398\_Form of Loan Agreement\_20000911, 4. 000398-Resolution\_20000911, 5. 000398\_Resolution\_20000911

Date	Ver.	Action By	Action	Result
9/11/2000	0	City Commission	Adopted (Resolution)	Pass

Florida Municipal Loan Council Equipment Financing Program (B)

The City Commission previously approved the purchase of four (4) new fire pumpers and one (1) new combination ladder and pumper. As part of the presentation on this purchase, staff indicated that although funds for the purchase were available between the Fleet Service Replacement Fund reserve and the FY 01-02 proposed appropriations, alternative sources of financing were under review.

A cost effective financing instrument, for the purchase of not only the Fire Rescue vehicles but the majority of the scheduled FY01 and FY 02 fleet purchases as a whole, has been identified. The Florida Municipal Loan Council, sponsored and administered by the Florida League of Cities, is offering a new variable rate Equipment Financing Program. The initial step for participation in the program is adoption of a Borrower's Resolution that authorizes staff to negotiate a loan with the Florida Municipal Loan Council. The program offers the following advantages to participating governmental entities:

1. Access to financing costs equivalent to high-grade tax exempt short term funding which can be substantially lower than traditional equipment financing or leasing alternatives;
2. Opportunity to free-up unrestricted cash which can potentially be invested at rates higher than those of the cost of the loan program;
3. Access to guaranteed long term funding for new or replacement equipment; and, the
4. Option to utilize the program on a revolving basis under a single master loan agreement.

Should this financing vehicle prove to be both cost effective and administratively workable, all future fleet purchases will likely occur in this manner.

As noted earlier, funds for the FY01 and FY02 fleet purchases are available in the Fleet Service Replacement Fund reserve and proposed appropriations. Budgeted fleet replacement costs for FY01 and FY02 are \$2,370,500 and

\$1,249,000, respectively. The proposed \$2,000,000 initial loan from the Florida Municipal Loan Council will provide a cost-effective funding source for the majority of the fleet purchases while preserving \$2,000,000 in unrestricted cash to be potentially invested at a rate higher than the cost of the loan program.

The City Commission adopt the proposed resolution.