KANSAS CITY
MISSOURI

Ordinance No. 250472
KCPD Fleet Vehicles Lease

06/10/2025

Finance, Governance, and Public Safety Committee

Purpose

- Authorize lease with Banc of America Public Capital Corp., to acquire 140 replacement Police vehicles in the aggregate amount of $6.6 million
- Estimate and appropriate lease proceeds
- Make $755,000 of the $1 million appropriation in the Public Safety Sales Tax Fund for this purpose available for debt service in FY26
  - Leaves $245,000 available to KCPD for cash purchase of vehicles
- To authorize Kutak Rock as lease counsel

Master Lease Purchase Agreement with Banc of America Public Capital Corp ("BAPCC")

- Entered into a Master Equipment Lease Purchase Agreement ("Facility") with Banc of America Public Capital Corporation ("BAPCC") on May 1, 2020
  - Approved by Ordinance No. 200273
  - Five-year agreement
- Allows the City to finance vehicles and equipment with set contract terms and a contract rate based on current market rates plus a credit spread
- The City pledges to appropriate annual debt payments under the Schedule
- BAPCC takes a security interest in the equipment being financed through filing of a Uniform Commercial Code financing statement

Background

- KCPD maintains an aging fleet, which consists of vehicles that are 10 to 20 years old with vehicle mileage ranging from 120,000 to 175,000 miles
- The Police department requires a modernized fleet with safer, reliable and more economical vehicles
- Fleet Replacement Plan
  - To prioritize patrol vehicles through the purchase of Dodge Durango Pursuit vehicles.
  - To facilitate the test and evaluation of some Ford Explorer Hybrid Police Interceptor vehicles for future larger scale implementations.

Financial Impact and Source of Repayment

- Estimated debt service payment
  - First year's payment FY26 - $755,000
  - Beginning in FY27 - $1 million per year
  - Eight (8) year financing
  - 4.43% interest rate
- Source of repayment
  - Public Safety Sales Tax

Questions?