Ordinance No. 240926
Fire Department
Ambulance Vehicles Financing

October 29, 2024

Finance, Governance, and Public Safety Committee

Purpose

- Authorize lease purchase with Banc of America Public Capital Corp.
  - Twelve (12) ambulances
  - Aggregate amount not to exceed $5.04 million
- Estimate and appropriate lease proceeds
- Designate requisitioning authority
- Close project funds upon completion, declare intent to reimburse with borrowed proceeds and authorize lease counsel

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

- Entered Master Lease Purchase Agreement with Banc of America Public Capital Corporation ("BAPCC") on May 1, 2020
- Allows the City to finance vehicles and equipment with set contract terms and a contract rate based on current market rates and a credit spread
- The City pledges to appropriate annual debt payments under the Lease Schedule
- BAPCC takes a security interest in the equipment being financed, through the filing of a Uniform Commercial Code financing statement

Background

- Final purchase cycle (Year 5) of ambulance replacement to continue the establishment of the fleet life cycle
  - Twelve (12) per year for 5-years
  - Sixty-one (61) total, includes replacing one (1) ambulance due to an accident

- Ordinance No. 200499 approved first installment
  - To date, thirty-six (36) have been built and delivered
  - Thirteen (13) are in progress, expected delivery by the second quarter of 2025

Financial Impact and Source of Repayment

- Estimated annual debt service payment
  - $1.1 million per year
  - Five-year financing
  - 3.8% interest rate
- Source of repayment
  - Fire Capital Sales Tax

Questions?