

**CITY OF CLOVERDALE
CITY COUNCIL
RESOLUTION NO. 024-2018**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CLOVERDALE AUTHORIZING THE CITY
MANAGER, OR HIS DESIGNEE, TO ACQUIRE A LOAN FROM EXCHANGE BANK IN THE AMOUNT NOT TO
EXCEED NINETY THOUSAND DOLLARS (\$90,000) TO PURCHASE A 2018 FORD F-350 AND ASSOCIATED
NECESSARY EQUIPMENT**

WHEREAS, the Cloverdale Public Works Department currently has twenty-three (23) vehicles in service;
and

WHEREAS, of the twenty-three (23) vehicles, five (5) are in critical need of replacement due to excessive
mileage and expensive repairs due to age of the vehicles, with several vehicles having accumulated more
than 100,000 miles; and

WHEREAS, the purchase of a new vehicle was approved to supplement and upgrade our fleet of utility
vehicles, and alleviate budgetary impacts due to vehicle maintenance; and

WHEREAS, the Finance Department sought loan options from manufacturers bank and local bank; and

WHEREAS, Exchange Bank offered the lowest terms with an interest rate of 3.59%; and

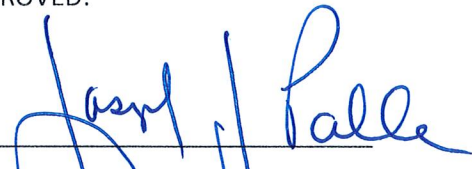
NOW THEREFORE, THE CITY COUNCIL OF THE CITY OF CLOVERDALE AUTHORIZES:

The City Manager, or his designee, is authorized to obtain a loan from Exchange Bank to purchase one
new Ford F350 Utility Maintenance Service Vehicle, and associated necessary equipment, in an amount
not to exceed ninety thousand dollars (\$90,000).

It is hereby certified that the foregoing Resolution No. 024-2018, was duly introduced and duly adopted
by the City Council of the City of Cloverdale at its regular meeting held on the 24th day of April 2018 by the
following roll call vote: (Ayes- 5; Noes-0; Abstain- 0)

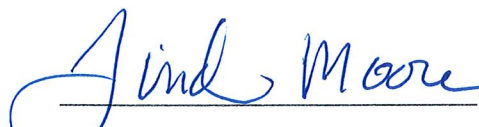
AYES: Councilmember Bagby, Vice Mayor Russell, Councilmember Wolter, Councilmember
Brigham, and Mayor Palla
NOES: None
ABSENT: None
ABSTAIN: None

APPROVED:



Joseph J. Palla, Mayor

ATTESTED:



Linda Moore, Deputy City Clerk



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Amortization Schedule

\$ 84,676.00 Loan with Annual Payments

3.59% Interest Rate Compounded Annually

5 Years

<u>Year</u>	<u>Payment</u>	<u>Principal Paid</u>	<u>Interest Paid</u>	<u>Remaining Balance</u>
2018	\$ 18,801.99	\$ 15,762.12	\$ 3,039.87	\$ 68,913.88
2019	\$ 18,801.99	\$ 16,327.98	\$ 2,474.01	\$ 52,585.90
2020	\$ 18,801.99	\$ 16,914.16	\$ 1,887.83	\$ 35,671.74
2021	\$ 18,801.99	\$ 17,521.37	\$ 1,280.62	\$ 18,150.37
2022	\$ 18,801.97	\$ 18,150.37	\$ 651.60	\$.0
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<u>Totals</u>	\$ 94,009.93	\$ 84,676.00	\$ 9,333.93	

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City Council
Agenda Item Summary

Agenda Item: 6
Meeting Date: 4/24/18

Agenda Section	Staff Contact
Consent	Susie Holmes, Finance Manager

Agenda Item Title

Adoption of Resolution No. 024-2018, Authorizing the City Manager, or his designee to obtain vehicle loans from Exchange Bank to purchase a 2018 Ford F350 with Crane vehicle and associated necessary equipment.

Summary

In 2017, the Public Works Sub-Committee recommended the purchase of a Ford heavy duty utility maintenance service vehicle for purposes of public works and utility support. City Council awarded a contract for purchase of this vehicle (Resolution No. 075-2017). After a lengthy manufacture process, this vehicle delivery is expected within the month. The attached resolution (Attachment 1) authorizes the financing of the Public Works Heavy-Duty Utility Vehicle through a commercial loan.

The loan for this vehicle was included in the mid-year budget amendment and approved by Council on February 13th. The vehicle is a Ford F350 Utility Maintenance Vehicle, the primary use for this vehicle is to facilitate repairs for Streets, Water and Wastewater. The purchase price is \$84,676.11 and the loan payments are included in the Water, Wastewater and Streets departments with a split of Water 40%, Wastewater 40%, and Streets 20%. (Attachments 2 is Resolution 075-2017, awarding the purchase contract for the Ford 350.)

Staff has requested funding options from Exchange Bank and Ford Credit. Exchange Bank is offering a 3.59% interest rate over a five-year period; Downtown Ford has offered a 6.45% interest rate over a five-year period, with an additional \$545 underwriting fee. The total interest and fees paid over the life of the loan is approximately \$9,335 with Exchange Bank and \$18,575 with Downtown Ford; therefore, staff is recommending that funding be obtained from Exchange Bank.

Options

- (1) Authorize the City Manager, or his designee, to obtain a loan from Exchange Bank for the 2018 Ford F350 with Crane vehicle; or
- (2) Authorize the City Manager, or his designee, to obtain a loan from Ford Credit for the 2018 Ford F350 with Crane vehicle; or
- (3) Authorize City Manager to pay cash for the vehicles

Budget/Financial Impact

The current fiscal year budget has allocated approximately 3 months of principal and interest payments for the vehicle. Exchange Bank has approved the vehicle for a 5-year loan with an annual interest rate @ 3.59% interest. Total cost, including principal and interest over the life of the loan would be:

• Water Enterprise	\$37,605
• Sewer Enterprise	37,605
• Streets Department	<u>18,800</u>
	\$92,010

An amortization schedule for this vehicle is included as Attachment 3.

Subcommittee Recommendation

The acquisition of a new Public Works utility vehicle was presented to the Public Works Sub-Committee on March 28, 2017. In that discussion, a programmatic approach to vehicle replacements was addressed. Sub-Committee concurred with the approach, and recommended the purchase of a new public utility vehicle.

Recommended Council Action

The Cloverdale Public Works Department and the City Manager recommend that the Cloverdale City Council adopt the attached Resolution which would allow the City Manager or his designee to obtain a loan from Exchange Bank to purchase the vehicle.

Attachments:

1. Resolution No. 024-2018, Authorizing the City Manager, or his designee to obtain vehicle loans from Exchange Bank to purchase a 2018 Ford F350 with Crane vehicle and associated necessary equipment.
2. Resolution 075-2017 Awarding Contract for Ford F350 Purchase
3. Ford 350 Amortization Schedule