

City Council – Action Request Form

Date: November 8, 2021

To: Mayor, Mayor Pro Tempore, and Members of the City Council

From: Lisa M. Saunders, Chief Financial Officer

Council Action Requested:

Resolution of the City of Winston-Salem, North Carolina Approving an Installment Purchase Contract and Related Matters

Strategic Focus Area: Service Excellence

Strategic Objective: Maintain City's Financial Strength

Strategic Plan Action Item: No

Key Work Item: Yes



Summary of Information:

The City of Winston-Salem, North Carolina, established a leasing program for certain real and personal property in 1984. The leasing program provides low-cost financing for the acquisition of needed equipment for all operations of the City such as police cars, fire trucks, heavy operating equipment and computer equipment. This resolution approves a new lease financing, under this program, in the amount of \$20,000,000 which should be sufficient to meet the City's personal property needs for the next 18 to 24 months.

The accompanying resolution authorizes the execution of an installment purchase contract in the amount not to exceed \$20,000,000 with TD Equipment Finance, Inc. to finance budgeted equipment for fiscal year 2022 and estimated acquisitions for fiscal year 2023.

The financing will be structured as a tax-exempt fixed rate installment purchase for an approximate 59-month term. The City has received a Commitment Letter from TD Equipment Finance, Inc. for an interest rate of .799%.

Committee Action:

Committee	<u>Finance 11/8/2021</u>	Action	<u>Approval</u>
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For	<u>Unanimous</u>	Against	<u></u>
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Remarks:

Wye River Independent Financial Advisor solicited a Request for Proposal, and the following banks responses were received:

Bank	Rate
TD Bank	Fixed Rate .799%
Wells Fargo Bank	Fixed Rate .87%
Truist	Fixed Rate .99%
JP Morgan Chase	Fixed Rate 1.085%
Bank of America	Fixed Rate 1.17%
First Horizon	Fixed Rate 1.369%
Capital One	Fixed Rate 1.55%
First Bank	Fixed Rate 1.97%

Exhibit A includes a list of vendors solicited, and the demographics for TD Bank.

The resolution approves all acts and doings of the Mayor, the City Manager, the Chief Financial Officer, and the City Clerk that are in conformity with the purposes and intents of the resolution for the execution, delivery, and performance of any agreements, and/or other documents necessary to carry out the installment purchase contract.

Staff recommends approval of the resolution.