



**To:** Frank L. Myers, City Administrator

**From:** Justina Tate, Assistant City Administrator

**Date:** May 4, 2007

**Re:** Ford Municipal Financing

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On February 27<sup>th</sup>, the Board directed the staff to begin preparing documents to enter into a lease purchase agreement with Ford Municipal Financing for the financing of the 10 police vehicles. Based upon the quotes received from three other financiers, Ford Municipal Financing provided the lowest total cost to the City in terms of principal and interest payment. As you will recall the interest rate was 6.1% however, the loan is calculated on simple interest rather than compounding interest.

On March 13<sup>th</sup>, the Board of Aldermen approved the purchase of the Police cars and accessories. The vehicles have been ordered and the delivery date is set for May 16<sup>th</sup>, which is stated in the Lease Purchase agreement. With this delivery date, the City needs to enter into the agreement with Ford Municipal Financing in order to provide financing for these vehicles.

Attached to this memo is the Lease Purchase agreement between Ford Municipal Financing and the City of Crestwood. The City will make three annual payments of \$75,857.69 in 2007, 2008, and 2009. As you will recall, the City has budgeted \$90,000 in FY 2007 for the payment on the lease of these vehicles.

The ordinance authorizing the Mayor and City Clerk to enter into the agreement with Ford Municipal Financing is attached to this memo. Additionally, the legal opinion from the City Attorney, Lewis, Rice and Fingersh, is attached.

**Recommended Action:**

After discussion, the Board of Aldermen should approve the attached ordinance which authorizes the Mayor to enter into an agreement with Ford Municipal Financing to finance the purchase of the police vehicles.