



Action Item # 6 – Firefighter Turnout Gear Lease/Purchase Proposal

Historically each year WFD has budgeted \$30,000 for 15 sets of Firefighter turnout gear. This achieved a maintenance program to keep new gear in circulation on the operational shift. However, this approach proved to have inherent deficiencies in program management and cost control.

A five year lease/purchase finance agreement will allow WFD to purchase 60 sets of firefighter turnout gear for \$119,640; less a \$10,000 down payment, leaving a financed amount of \$109,640.

WFD will not take possession of all 60 sets of gear as we do not have an immediate need for such. The funds not expended on the initial purchase will be placed in an interest bearing escrow account. Monies will then be use from this account to purchase the remaining sets of gear as staffing and replacement dictate.

Engaging in a 5 year lease/purchase WFD will be able to achieve the following:

- Better program management
- Efficient budget forecasting
- Cost control
- All necessary gear replacements immediately
- Enables FF to have a back-up set of turnout gear
- Achieves NFPA 1971 & 1851 standards for FF turnout gear.

This plan also achieves an immediate cost savings of \$5772 annually (\$28,860 over five-years), compared to the former method of gear replacement.

WFD recommends accept the lease/purchase proposal as provided by Fifth Third Bank.



COPY

Tax-exempt Equipment Lease-Purchase Proposal

Date: May 16, 2008

Type of Lease: Bank-qualified, tax-exempt equipment lease-purchase

Lessor: INDIANA BOND BANK

Assignee: FIFTH THIRD BANK

Lessee: CITY OF WESTFIELD, INDIANA

Equipment: Firefighter turn-out gear

Equipment Cost: \$109,640.00 (\$119,640.00 less \$10,000.00 down payment)

Commencement Date: July 1, 2008 (assumed-subject to change)

Term: Five years

Current Rate: 3.83%

Rental Payments: Ten payments equal to \$12,114.00, paid semiannually, in advance, beginning 12/1/08, 100% amortization

Fixed Rate: Rental Payments and Lease Rate will be fixed at Commencement Date for the entire Term

The Lease Rate and Rental Payments assume current like-term U.S. Federal Reserve Interest Rate Swap Curve ask-price as published in the H15 statistical release. Any change in the ask-price may result in changes to the Lease Rate and Rental Payments. THIS IS A PROPOSAL ONLY AND NOT A COMMITMENT TO LEASE. Review of Lessee's financial information and subsequent credit approval by Lessor, and its Assignee, is required. Additional terms and conditions of the Master Lease-Purchase Agreement and Individual Payment Schedule apply. This proposal expires on May 30, 2008, if not previously accepted by Lessee signature below.

FIFTH THIRD BANK
Michael A. Gilmore
Vice President

PROPOSAL ACCEPTED:
CITY OF WESTFIELD, INDIANA

Signature:

Printed Name and Title:

Date:



May 27, 2008

Mr. Todd Burton
City of Westfield Fire Department
17535 Dartown Road
Westfield, IN 46074

Re: Request for proposal regarding City of Westfield's Equipment Lease Purchase – Firefighter Turnout Gear in the amount of \$109,640.00.

Dear Mr. Burton:

Thank you for providing Regions Bank with the opportunity to provide funding for City of Westfield's Equipment Lease Purchase – Firefighter Turnout Gear to be quoted this date. Below, you will find a proposed set of terms and conditions that we would like for you to consider.

Combined Amount: \$109,640.00

Rate: 3.94% Tax-Exempt (fixed), Bank-Qualified.

Repayment: This loan will be borrowed on or about June 15th, 2008. The loan will be repaid semi-annually commencing January 15th, 2009 for a term not to exceed five years.

Conditions Precedent: Satisfactory review of all loan documents by Bank legal counsel, including approving opinion of Bond Counsel.

Todd, if you have any questions pertaining to this proposal, please call me. Thank you for considering Regions Bank as your business partner for the 2008 calendar year. I look forward to speaking with you in the near future.

Sincerely,

Katie Smith
Assistant Vice President

Katie Smith
Corporate Banking Division
One Indiana Square, Suite 227
Indianapolis, IN 46204
(317) 221-6111 Fax: (317) 221-6120



May 13, 2008

FORMAL PROPOSAL

LESSEE: WESTFIELD FIRE DEPARTMENT

- ✓ This is a finance/ownership lease. No residual value.
- ✓ Fixed interest rate for the five (5) year term.

EQUIPMENT: TURNOUT GEAR

OPTION 1

Acquisition Cost:	\$119,640.00	Term:	Five (5) years	First Payment Due:	July 1, 2009
Down Payment:	\$10,000.00	Payment Mode:	Annual	Payment Amount:	\$27,504.53
Trade In:	\$0.00	Interest Rate:	4.690%		
Principal Balance:	\$109,640.00				

- * To lock in the Lessee's rate for the term of the loan, Baystone Financial Group will establish a Vendor Payable Account (VPA) on behalf of the Lessee. This transaction must be credit approved, lease documents executed and returned to Baystone Financial Group within 30 days from the date stated above, or Lessor reserves the right to adjust and determine a new Base Interest Rate. The Lessee will control the draws from this VPA, however, no premature disbursements may be made. This is a non-interest bearing account.
- * **This is a proposal only and is not a commitment to finance. This proposal is subject to credit review and approval and proper execution of mutually acceptable documentation.**
- * Failure to consummate this transaction once credit approval is granted and the lease documents are drafted and delivered to Lessee will result in a documentation fee being assessed to the Lessee.
- * This transaction must be designated as tax-exempt under Section 103 of the Internal Revenue Code of 1986 as amended.
- * **LESSEE'S TOTAL AMOUNT OF TAX-EXEMPT DEBT TO BE ISSUED IN THIS CALENDAR YEAR WILL NOT EXCEED THE \$10,000,000 LIMIT.**
- * There are no additional documentation fees or closing costs due MES Leasing.

MES Leasing	WESTFIELD FIRE DEPARTMENT
	Signature:
	Typed Name & Title
Ryan Sloan for Blake Kaus	Date:
Lease Associate	

1680 Charles Place Manhattan, KS 66502
Ph: (800) 752-3562; Fax: (785) 537-4806
rsloan@baystone.net



KEY GOVERNMENT FINANCE LEASING

May 27, 2008

City of Westfield, Indiana
Westfield, IN

EQUIPMENT

LEASE OPTION: The lease financing will be completed by Key Government Finance, Inc. Payments due under the Lease financing will be made directly to Key Government Finance at P.O. Box 1187, Englewood, CO 80150-1187.

LESSOR: Key Government Finance, Inc.

LESSEE: City of Westfield, Indiana

EQUIPMENT: Fire Truck

Firefighter turnout gear	\$119,640.00
(minus) down payment	-\$10,000.00
Maintenance Cost	\$0.00
Installation and other services	\$0.00
Est. Sales Tax	\$0.00
TOTAL AMOUNT TO BE LEASED	\$109,640.00

FINANCING STRUCTURE: This is a tax-exempt state and municipal government lease with the title to the equipment passing to lessee. This is a net lease under which Lessee pays all costs, including insurance, maintenance and taxes, for the term of the lease. At the end of the lease term the equipment can be purchased for \$1

Amount to be Leased	Interest Rate	Lease Payments	Payment Factor(*)	Pmts / Year	Term	Adv. / Arr.
\$109,640.00	4.550%	\$2,048.29	0.018682	12	5 Years	Arrears

(*) The payment factor expresses the payment as a percentage of the Equipment Cost. To calculate the monthly lease payment for any Equipment Cost, multiply the payment factor by the Equipment Cost.

RATE INDEX: The interest rates quoted in this proposal are based on market rates as of May 27, 2008. At Lease closing Lease Rate and Lease Payment shall be subject to index based on the Delphis Hanover and/or U.S. Treasury Rate index until the date of closing. After the closing date the interest rate on the financing will be fixed for the term of the financing.

APPROVAL: The financing contemplated by this proposal is subject to the execution and delivery of all appropriate documents (in form satisfactory to Lessor), including without limitation, to the extent applicable, the Master Lease Agreement, any Schedule, financing statements, legal opinion or other documents or agreements reasonably required by Lessor. This proposal, until credit approved, serves as a quotation, not a commitment by Key Government Finance to provide credit. Final acceptance of this proposal is subject to credit, collateral and essential use review and approval by Lessor.

The interest rate quoted herein assumes that the interest component of the Payments is exempt from federal income tax. Lessor will provide a taxable financing proposal if it is determined that the financing will not qualify for tax-exempt interest

CONTACT: Contact your financing representative with any questions - Kevin P Scott 216-689-0209 Kevin.P.Scott@Key.com, or your relationship manager, Katie Aeschliman at 317.464.8318 or via email at Katie_E_Aeschliman@KeyBank.com

NOTES: Alternative financing options available on request.
Please note that Key Government Finance has worked extensively to close many similar types of transactions for Counties entities throughout the United States. KGF's knowledge and expertise with these types of financings will allow for a quick, efficient and less costly close to the transaction.