

**COUNTY OF SONOMA
AGENDA ITEM
SUMMARY REPORT**

Clerk of the Board Use Only
Meeting Date / / **Held Until** / /
Agenda Item No: _____ **Agenda Item No:** _____

Department: Sheriff

() **4/5 Vote Required**

Contact:
Analyst Hayes

Phone:
(707) 565-2872

Board Date:
4/28/09

Deadline for Board Action:

AGENDA SHORT TITLE: Lease Purchase Truck

REQUESTED BOARD ACTION:

Resolution authorizing the financing of a one ton pickup truck, and directing the County Purchasing Agent to execute all necessary documents pertaining to the governmental lease-purchase agreement with Municipal Services Group, Inc. for a three-year amount of \$19,898.86.

CURRENT FISCAL YEAR FINANCIAL IMPACT

EXPENDITURES

ADD'L FUNDS REQUIRING BOARD

Estimated Cost \$ 9,000

Contingencies \$
(Fund Name:)

Amount Budgeted \$ 9,000

Unanticipated Revenue \$
(Source:)

Other Avail Approp. \$
(Explain below)

Other Transfer(s) \$
(Source:)

Additional Requested: \$ 0

Add'l Funds Requested: \$

Explanation (if required): This will be a lease/purchase over three years. The first year payment is principal only in the amount of \$9,000 and will be made directly to Hansel Ford. \$9,000 is budgeted in the FY 08-09 Sheriff's Marine Unit index 040451-7936. The next three year payments will include principal and interest. This lease purchase is being reimbursed by the Department of Boating and Waterways (DBW).

Prior Board Action(s):

May 14, 2002: The Board approved a resolution authorizing the financing of a one ton pickup truck through Municipal Services Group, Inc. with complete reimbursement from the Dept. of Boating and Waterways.

Alternatives - Results of Non-Approval:

If the resolution is not approved, the County will forego DBW reimbursement of up to \$29,000 for the lease/ purchase of a new one ton truck for the Marine Unit.

Background: (Municipal Services Group Lease Purchase Agreement on file with the Clerk)

The request before the Board of Supervisors is to approve a lease/purchase for a one ton truck for the Marine Unit. This truck will be fully funded through a Department of Boating and Waterways (DBW) grant which authorizes an annual lease payment not to exceed \$10,000. The lease/purchase will be completed by April 15, 2012.

The lease/purchase is a cost effective method to provide a permanent vehicle for the Marine Unit. This new truck is a replacement for a truck lease/purchased through DBW in May 2002. The vehicle will be used for towing boats and will have a built-in fuel transfer tank for transporting fuel from Fleet Operations. The Purchasing Agent for the County has solicited bids for the purchase of this new vehicle. The vendor is Hansel Ford of Santa Rosa. Per DBW grant requirements, funding for the lease/purchase cannot come from County funds and has to be from outside financing. The delivery is expected before fiscal year end.

The outright purchase price is anticipated to be approximately \$28,898.86, including warranties and sales tax. Sheriff's Department staff contacted three financial lenders for bids: Municipal Services Group (5.97 APR), Ford Motor Credit Company (8.1 APR), and De Lage Landen Public finance LLC/Union Bank who no longer offers financing. Municipal Services Group, Inc. (MSG) had the lowest rate at 5.97%.

The first payment of \$9,000 will be made directly to Hansel Ford as a down payment in June 2009. This is included in the FY 08-09 Sheriff's Department Marine Unit adopted budget. Actual payments will be \$6,632.95 for FY 09-10, reimbursed by DBW, and are included in the FY 09-10 proposed budget.

MSG has submitted a lease/purchase payment schedule as follows:

Payment #	Date	Amount	Principal	Interest
1	April 15, 2010	\$6,632.95	\$5,573.88	\$1,059.07
2	April 15, 2011	\$6,632.96	\$5,906.65	\$726.31
3	April 15, 2012	\$6,632.95	\$6,259.28	\$373.67
		\$19,898.86	\$17,739.81	\$2,159.05

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Attachments: Resolution

On File With Clerk: Municipal Services Group Lease Purchase Agreement

CLERK OF THE BOARD USE ONLY

Board Action (If other than "Requested")

Vote:

This lease/purchase agreement has been reviewed and approved by County Counsel, County Purchasing, and the County Treasury Revenue and Debt Manager.

RECOMMENDED ACTION:

Resolution authorizing the financing of a one ton pickup truck, and directing the County Purchasing Agent to execute all necessary documents pertaining to the governmental lease-purchase agreement with Municipal Services Group, Inc. for a three-year amount of \$19,898.86.