



# City of Biddeford

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Cheryl Fournier, Finance Director

May 16, 2019

To: Finance Committee

From: Cheryl Fournier, Finance Director

Re: Tax-Exempt Lease

The City went out to bid for a tax-exempt lease to replenish the purchase of equipment (Exhibit B). It was emailed to thirteen agencies and posted on the website. The City received five bids. Attached is the summary of the bids received (Exhibit A).

All the bids are very competitive. The interest rates range between 2.8% and 3.81%, which is a fairly large range. The recommendation is to approve the USbancorp bid for the tax-exempt leasing, as the rate is just too good to pass. They were unable to provide the 10 year lease, the interest savings would have been approximately \$5,979.43 due to the interest rate. Going to a 7 year lease along with the 2.8% interest give us a total of \$16,894 savings from the next lowest bid.

The recommendation is to approve the USbancorp bid for tax-exempt leasing.

Exhibit A

	7 year				10 year				Total		
	Principal	Percentage	Total Interest Paid	Annual Payment	Principal	Percentage	Total Interest Paid	Annual Payment	Principal	Total Interest Paid	Annual Payment
Androscoggin	42,139.40	3.71%	6,487.67	6,946.69	241,135.00	3.81%	53,408.37	29,454.34	283,274.40	59,896.04	36,401.03
Gorham Leasing Group	42,139.40	3.37%	5,868.49	6,858.27	241,135.00	3.52%	49,101.40	29,023.64	283,274.40	54,969.89	35,881.91
Municipal Leasing Consultants	42,139.40	3.17%	5,508.13	6,806.79	241,135.00	3.17%	43,992.20	28,512.72	283,274.40	49,500.33	35,319.51
Tax-Exempt Leasing	42,139.40	3.25%	5,653.17	6,827.51	241,135.00	3.35%	46,621.10	28,775.61	283,274.40	52,274.27	35,603.12
<b>Usbancorp</b>	<b>283,274.40</b>	<b>2.80%</b>	<b>32,606.09</b>	<b>45,125.78</b>					<b>283,274.40</b>	<b>32,606.09</b>	<b>45,125.78</b>

