

JPD Fleet Financing Options

Estimated Payment Schedules/Costs

Advantages

Disadvantages

FORD FINANCING @ 4.25% 5YR	Amortization Term	5	Asset Cost	\$ 1,758,151.60	+ All in one stop + Issuance Cost + Does not require State approval + No prepayment penalty	- Higher interest rates - Consideration as to if the City would have to provide security interest in asset - Requires payment at closing	
	Interest Rate	4.25%	Cost of Issuance	\$ 545.00			
	Payment Schedule	Annual*	Amount Financed	\$ 1,758,696.60			
	*payments made at beginning of each period						
	Year	Interest Payment	Principle Payment	Total Payment			Remaining Balance
	1	\$0.00	(\$381,611.08)	(\$381,611.08)			\$ 1,377,085.52
	2	(\$58,526.13)	(\$323,084.94)	(\$381,611.08)			\$ 1,054,000.58
	3	(\$44,795.02)	(\$336,816.05)	(\$381,611.08)			\$ 717,184.53
	4	(\$30,480.34)	(\$351,130.74)	(\$381,611.08)			\$ 366,053.79
	5	(\$15,557.29)	(\$366,053.79)	(\$381,611.08)			\$ -
TOTALS		(\$149,358.79)	(\$1,758,696.60)	(\$1,908,055.39)			
Timeline: ~45 days** **2 Readings of Ordinance							
FORD FINANCING @ 3.5% 5YR	Amortization Term	5	Asset Cost	\$ 1,758,151.60	+ All in one stop + Low cost of issuance + Does not require State approval + No prepayment penalty	- Higher interest rates - Consideration as to if the City would have to provide security interest in asset - Requires payment at closing	
	Interest Rate	3.50%	Cost of Issuance	\$ 545.00			
	Payment Schedule	Annual*	Amount Financed	\$ 1,758,696.60			
	*payments made at beginning of each period						
	Year	Interest Payment	Principle Payment	Total Payment			Remaining Balance
	1	\$0.00	(\$376,346.41)	(\$376,346.41)			\$ 1,382,350.19
	2	(\$48,382.26)	(\$327,964.16)	(\$376,346.41)			\$ 1,054,386.03
	3	(\$36,903.51)	(\$339,442.90)	(\$376,346.41)			\$ 714,943.13
	4	(\$25,023.01)	(\$351,323.40)	(\$376,346.41)			\$ 363,619.72
	5	(\$12,726.69)	(\$363,619.72)	(\$376,346.41)			\$ -
TOTALS		(\$123,035.47)	(\$1,758,696.60)	(\$1,881,732.07)			
Timeline: ~45 days** **2 Readings of Ordinance							
TMBF C.O.N. 5YR @ 1.49%	Amortization Term	5	Loan Amount	\$ 1,758,151.60	+ Lower interest rate + 5 payments over 5 full fiscal years with lower cost to the current FY21 budget + Low cost of issuance	- Requires State approval - 1% prepayment penalty	
	Interest Rate	1.49%	Cost of Issuance	\$ 1,000.00			
	Payment Schedule	Semi-Ann./Annual*	Amount Financed	\$ 1,759,151.60			
	*interest payments semi-annual, principal payments annual at end of period						
	Year	Interest Payment	Principle Payment	Total Payment			Remaining Balance
	1	(\$26,211.36)	(\$341,500.83)	(\$367,712.19)			\$ 1,417,650.77
	2	(\$21,123.00)	(\$346,589.19)	(\$367,712.19)			\$ 1,071,061.58
	3	(\$15,958.82)	(\$351,753.37)	(\$367,712.19)			\$ 719,308.21
	4	(\$10,717.69)	(\$356,994.50)	(\$367,712.19)			\$ 362,313.71
	5	(\$5,398.47)	(\$362,313.71)	(\$367,712.19)			\$ 0.00
TOTALS		(\$79,409.34)	(\$1,759,151.60)	(\$1,838,560.94)			
Timeline: ~45 days** **Auth. Res, 2 Readings of Ordinance, Compt. Approval prior to 2nd Reading (2 weeks)							
TMBF C.O.N. 7YR @ 1.58%	Amortization Term	7	Loan Amount	\$ 1,758,151.60	+ Lower interest rate + 7 payments over 7 full fiscal years with lower cost to the current FY21 budget + Low cost of issuance	- Requires State approval - 1% prepayment penalty	
	Interest Rate	1.58%	Cost of Issuance	\$ 1,000.00			
	Payment Schedule	Semi-Ann./Annual*	Amount Financed	\$ 1,759,151.60			
	*interest payments semi-annual, principal payments annual at end of period						
	Year	Interest Payment	Principle Payment	Total Payment			Remaining Balance
	1	(\$27,794.60)	(\$239,644.33)	(\$267,438.93)			\$ 1,519,507.27
	2	(\$24,008.21)	(\$243,430.72)	(\$267,438.93)			\$ 1,276,076.55
	3	(\$20,162.01)	(\$247,276.92)	(\$267,438.93)			\$ 1,028,799.63
	4	(\$16,255.03)	(\$251,183.90)	(\$267,438.93)			\$ 777,615.73
	5	(\$12,286.33)	(\$255,152.60)	(\$267,438.93)			\$ 522,463.13
6	(\$8,254.92)	(\$259,184.01)	(\$267,438.93)	\$ 263,279.12			
7	(\$4,159.81)	(\$263,279.12)	(\$267,438.93)	\$ -			
TOTALS		(\$112,920.91)	(\$1,759,151.60)	(\$1,872,072.51)			
Timeline: ~45 days** **Auth. Res, 2 Readings of Ordinance, Compt. Approval prior to 2nd Reading (2 weeks)							
MUNICIPAL BOND 5YR @ 0.45%	Amortization Term	5	Loan Amount	\$ 1,758,151.60	+ Wider range of potential bidders + Interest rate is lower + Does not require State approval? + First payment in FY22	- Higher cost of issuance - Longer financing lead time and subject to City's FY22 bond issuance plans, if applicable	
	Interest Rate	0.45%	Cost of Issuance	\$ 40,000.00			
	Payment Schedule	Annual	Amount Financed	\$ 1,798,151.60			
	*estimates per PFM						
	Year	Interest Payment	Principle Payment	Total Payment			Remaining Balance
	1	(\$8,091.68)	(\$356,408.18)	(\$364,499.86)			\$ 1,441,743.42
	2	(\$6,487.85)	(\$358,012.02)	(\$364,499.86)			\$ 1,083,731.40
	3	(\$4,876.79)	(\$359,623.07)	(\$364,499.86)			\$ 724,108.33
	4	(\$3,258.49)	(\$361,241.37)	(\$364,499.86)			\$ 362,866.96
	5	(\$1,632.90)	(\$362,866.96)	(\$364,499.86)			\$ -
TOTALS		(\$24,347.71)	(\$1,798,151.60)	(\$1,822,499.31)			
Timeline: Q1 FY22** **Assuming part of larger financing package for FY22							