

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	\$ 1,758,152.00	+ 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	\$ 1,759,152.00			
	*interest payments semi-annual, principal payments annual at end of period						
	*schedule provided by TMBF						
	Year	Interest Payment	Principle Payment	Total Payment			Remaining Balance
	1	(\$25,192.03)	(\$342,152.00)	(\$367,344.03)			\$ 1,417,000.00
	2	(\$21,113.30)	(\$347,000.00)	(\$368,113.30)			\$ 1,070,000.00
	3	(\$15,943.00)	(\$352,000.00)	(\$367,943.00)			\$ 718,000.00
	4	(\$10,698.20)	(\$357,000.00)	(\$367,698.20)			\$ 361,000.00
5	(\$5,378.90)	(\$361,000.00)	(\$366,378.90)	\$ -			
TOTALS	(\$78,325.43)	(\$1,759,152.00)	(\$1,837,477.43)				
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	\$ 1,758,152.00	+ 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	\$ 1,759,152.00			
	*interest payments semi-annual, principal payments annual at end of period						
	Year	Interest Payment	Principle Payment	Total Payment			Remaining Balance
	1	(\$26,713.70)	(\$240,152.00)	(\$266,865.70)			\$ 1,519,000.00
	2	(\$24,000.20)	(\$244,000.00)	(\$268,000.20)			\$ 1,275,000.00
	3	(\$20,145.00)	(\$248,000.00)	(\$268,145.00)			\$ 1,027,000.00
	4	(\$16,226.60)	(\$251,000.00)	(\$267,226.60)			\$ 776,000.00
	5	(\$12,260.80)	(\$255,000.00)	(\$267,260.80)			\$ 521,000.00
6	(\$8,231.80)	(\$259,000.00)	(\$267,231.80)	\$ 262,000.00			
7	(\$4,139.60)	(\$262,000.00)	(\$266,139.60)	\$ -			
TOTALS	(\$111,717.70)	(\$1,759,152.00)	(\$1,870,869.70)				
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							