

VILLAGE OF BANCROFT

RESOLUTION NO. 18-03

(Enacted May 9, 2018)

**RESOLUTION APPROVING LOAN FROM EQUIPMENT FUND
TO GENERAL FUND TO FINANCE POLICE VEHICLE PURCHASE**

WHEREAS, State revenues provided for law enforcement have substantially diminished since pre-2008 levels causing the Village to implement drastic cutbacks in staff, patrol hours, and delaying the replacement of equipment, and;

WHEREAS the Village of Bancroft, recognizes the need for replacement of the Village's only squad car, as repeated repairs upon the vehicle have become very expensive costing thousands of dollars a year; further the ability to continue to repair the vehicle is becoming more impractical and financially inefficient, and;

WHEREAS the life expectancy of a Village police car is approximately eight (8) years and the Village's current police car is approaching eight years old, replacement, rather than repair of the Village's police car is more financially responsible, and

WHEREAS the Village has researched the purchase and outfitting of a new police vehicle to try to minimize the total cost to the Village by utilizing a statewide, group discount purchasing program to obtain a lowest, reasonable purchase price of \$28,661.00 for a new police vehicle, as well as obtaining the outfitting and installation of equipment upon a police vehicle from one supplier at a cost of \$6,029.00 and police car lettering services from a different supplier for an approximate costs of \$250.00, yielding a total purchase amount of \$34,940 to acquire a new patrol car; and

WHEREAS the Village has currently available to purchase a new police vehicle, budgeted funds of \$8,000.00, plus donated funds of \$2,000.00 leaving the Village in need of finance the remaining \$24,940 needed to acquire and equip a new police vehicle; and

WHEREAS the Village has explored financing options where the Village could take out a \$24,940 loan with available interest rates of 6.96%, or more, over a five (5) year period duration which could cause the Village to incur interest charges of \$4,655 over the course of such a loan; and

WHEREAS the Village maintains an Equipment Fund which provides a mechanism for the Village to save money for future purchases of Department of Public Works (DPW) equipment with said Equipment Fund currently having a sizeable operating balance of over \$57,000.00, which exceeds the current, foreseeable needs of the Equipment Fund, and which currently earns a low, checking account interest rate of 0.18%; and

WHEREAS it would be financial advantageous for both the Equipment Fund and the General Fund, to have the Equipment Fund loan to the General Fund the sum of \$24,940 on a (5) year

promissory note at an interest rate of 2.00% , so that the General Fund would have sufficient monies to purchase the new police vehicle and installed accessories, the General Fund would pay interest at a rate of less than one-third of the interest rate that would be available through a bank loan and the Equipment Fund would earn interest at a rate more than eleven (11) times the current interest rate they are receiving on the Equipment Fund balance; thus saving the General Fund \$3,366 in interest charges and earning the Equipment Fund and additional \$1175 in interest than what the Equipment Fund is currently receiving; and

NOW THEREFORE, IT IS HEREBY RESOLVED that the Village's Equipment Fund shall loan to the Village's General Fund the sum of \$24,940 to finance the purchase and outfitting of a new police vehicle; and

Further, the Village's General Fund shall, over a five (5) year period, make yearly repayment to the Equipment Fund, the monies loaned plus two percent (2.0%) interest pursuant to the attached Promissory Notes and Loan Amortization Schedule. The Village President is authorized to execute, on behalf of the Village's Equipment Fund and General Fund, the attached Promissory Note to implement the loan.

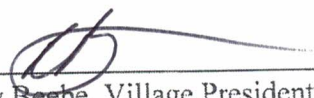
Moved By: B. Barnum

Seconded By: M. St. Louis


YEAS: B. Barnum, T. Terpening, M. St. Louis, A. Miller, R. Miller, R. Beebe

NAYS: K. Bible

ABSENT: None


Randy Beebe, Village President

I certify that the above is a true copy of Resolution No. 18-03 adopted by the Village Council at its meeting held on May 9, 2018.


Karen Cole, Village Clerk

Drafted by:
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