

RESOLUTION NO. 1217

A RESOLUTION AUTHORIZING INTERNAL BORROWING FOR NEW POLICE VEHICLE PURCHASES

WHEREAS, the purchase/lease of six new police vehicles has been budgeted for fiscal year 2013-2014; and

WHEREAS, the total cost of the vehicles, \$258,700, will be paid from borrowed funds; and

WHEREAS, repayment of the loan used to purchase the vehicles will be spread over five fiscal years beginning with fiscal year 2013-2014; and

WHEREAS, the City's borrowing rate from a financial institution for the vehicle purchases is 2.09% per year; and

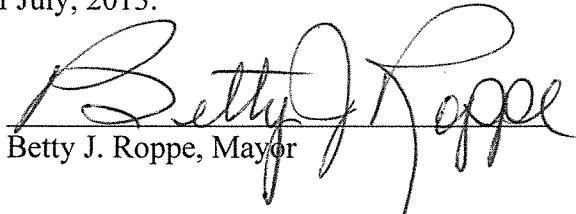
WHEREAS, City has funds that could be used to purchase the vehicles and such funds are invested in the Local Government Investment Pool, currently paying .54% annual interest; and

WHEREAS, the City could purchase the vehicles from City cash assets with the Police Department paying off the purchase price over five years paying a two percent (2%) interest rate;


NOW, THEREFORE, the City of Prineville resolves as follows:

1. A loan from the City's pooled cash in the amount of \$258,700 to purchase six police vehicles with interest at the rate of two percent (2%) per year to be paid over five years beginning with fiscal year 2013-2014 is hereby approved.
2. City staff is authorized to take the necessary steps to carry out the terms of this Resolution.

Passed by the City Council this 23rd day of July, 2013.


Betty J. Roppe, Mayor

ATTEST:


Lisa Morgan, City Recorder