



City of Elkins

Finance Committee Meeting

March 7, 2024
1:00 PM
401 Davis Avenue
Council Chamber, 2nd Floor

Charter Authority of the Finance Committee: Recommend an annual budget to Council. Supervise budget management and make reports to Council. Review and propose to Council municipal debt instruments and grants. Make fiscal forecasts and report same to Council.

AGENDA

1. **Call to order and roll call**
2. **Public comment**
3. **New business**
 - a. Financing bids for 2023 Sutphen Custom Pumper
 - b. FY 2025 budget
 - c. Funding for sewer line relocation under city lot on Eleventh Street
4. **Announcements**
5. **Adjournment**



CITY OF ELKINS AGENDA ITEM REPORT

Meeting Date:	March 7, 2024
Section:	New business
Category:	Action Item
Agenda Item Name:	Financing bids for 2023 Sutphen Custom Pumper
Recommended By:	Fire Chief
Summary:	Financing is needed for a new 2023 Sutphen Custom Pumper for the Elkins Fire Department. The vehicle is nearly ready for delivery but cannot leave Sutphen premises until financing has been secured. The Fire Chief and City Treasurer will present additional information at the meeting.
Fiscal Impact:	Financing is sought for the \$615,020 purchase cost of the new pumper.
Recommendation:	Review information presented and consider for recommendation to council
Attachments:	1. Fire Bid Info

2023 Sutphen Custom Pumper Bid Summary

Bank	Amount	Term - Years	Interest Rate	Payment	Repayment	Collateral	Expenses	Notes
Mountain Valley Bank	\$615,020.00	10	4.98%	\$6,518.00/Monthly	No early or prepayment penalties	Truck title	\$55.00	DMV fees
Leasing 2	\$615,020.00	10	5.36%	\$6,630.53/Monthly				Option 1
			5.48%	\$77,273.17/Annual				Option 2
Davis Trust Company	\$615,020.00	10	5.49%	\$6,671.59/Monthly	No early or prepayment penalties	Truck title	\$0.00	
Citizens Bank of WV	\$615,020.00	10	5.50%	\$6,674.64/Monthly				
Grant County Bank	\$615,020.00	10	7.12%	\$7,179.06/Monthly				

Amounts highlighted in yellow is based on my amortization schedule.



317 Davis Ave., P.O. Box 1969, Elkins, WV 26241 (304) 637-2265

February 28, 2024

City of Elkins
Tracy R. Judy, City Treasurer
401 Davis Avenue
Elkins WV, 26241

Dear Tracy:

Mountain Valley Bank is pleased to submit a proposal for the financing of the 2023 Sutphen Custom Pumper. The terms and conditions are as follows:

- Borrower: City of Elkins – Fire Department
- Amount: \$615,020.00.
- Collateral: Truck title
- Rate: Fixed at 4.98% for a term of 10 years.
- Terms: Monthly payments of approximately \$6,518. There will be no early or prepayment penalties.
- Closing Costs: \$55.00 for the Department of Motor Vehicles (DMV) fees.

We thank you for the opportunity to serve the City of Elkins and look forward to working together on this and future business projects. Should you have any questions, please feel free to contact me at your convenience.

Sincerely,

Rebecca L. McClung
Senior Vice President & Chief Credit Officer

ELKINS OFFICE
1955 Beverly Pike
P.O. Box 1969
Elkins, WV 26241
304-636-7801

PARSONS OFFICE
401 First Street
P.O. Box 383
Parsons, WV 26287
304-478-2461

MILL CREEK OFFICE
9896 Seneca Trail
P.O. Box 10
Mill Creek, WV 26280
304-335-2222

LEASE FINANCING PROPOSAL



Lessee
City of Elkins, WV

Vendor
Heritage Fire Equipment

Proposal Date:	March 1, 2024	
Equipment Description:	(1) 2023 Sutphen Custom Pumper	
Commencement Date:	March 25, 2024	
	<u>Option 1</u>	<u>Option 2</u>
Equipment Cost:	\$615,020	\$615,020
Lessee Down Payment:		
Amount Financed:	\$615,020	\$615,020
Lease Term:	10 Years	10 Years
First Payment Date:	4/25/2024	3/25/2024
Payment Frequency:	Monthly	Annual
Interest Rate:	5.36%	5.48%
Payment Amount:	\$6,630.53	\$77,273.17

Qualifications:

1. **Pricing:** This is a lease proposal for the payment stream(s) indicated above. If any of the information identified above are not correct, please advise us so that we can determine if a new proposal is required. Other important elements of this proposal are:

- a) **Rate Expiration:** Due to the current increasing rate markets, this proposal is valid under the following circumstances:
- The award is received within 30 days of the Proposal Date.
 - The transaction is closed within 60 days off the Proposal Date.
- If you are unable to award within 30 days, please contact us prior to your decision meeting date and we will provide a current proposal.

- b) **Closing Costs:** There will be no up-front costs of any kind charged by Lessor including closing costs, points, administrative costs, etc. Your attorney may charge you to review the lease documents and complete the opinion letter required with our lease documentation.

- c) **Fixed Rates:** Rates are fixed for the entire term.

2. **Type of Lease:** This is a lease-purchase type of financing. After all the lease payments are made, Lessee will own the equipment without further cost.

3. **Financial Reporting:** All city, county and tax districts (including fire districts) will be expected to provide GAAP audited financial reports. All non-profit corporations (vfd's) will be expected to provide IRS 990 federal tax returns. If you do not maintain these types of financial reports, please contact us to discuss.

4. **Vendor Payable / Escrow Account (where applicable):** In the event that the truck(s) and/or equipment are not ready to be delivered, proceeds of this lease will be held in a vendor payable account until delivery/acceptance. This is a non-interest bearing account to Lessee.

5. **Credit Approval and Documentation:** This is a proposal only, and does not represent a commitment to lease. This financing is subject to credit review and approval and execution of mutually acceptable documentation, including the opinion of lessee's counsel opining that the agreement is legal, valid and binding, obligation of Lessee.

Financing by: Leasing 2, Inc.
Contact: Brad Meyers
Phone: 813-258-9888 x12
Email: bmeyers@leasing2.com
Web: www.leasing2.com



REQUEST TO PROCEED:

When you are ready to proceed with Leasing 2 towards finalizing this lease financing arrangement, please indicate so by signing below and completing the requested information. We will immediately email you our application. Thank you for your confidence and consideration.

Proposal date: March 1, 2024

Option Chosen: _____ (where applicable)

Upcoming Governing Body meeting date for lease approval: _____

City of Elkins, WV

Name of Lessee

Authorized Signature

Date

Title

Printed Name Of Authorized Signature

Last month of your budget year?

Contact Name
(If Different Than Authorized Signature)

Contact Phone

Contact Email

Financial Contact Name
(Can be Treasurer or Clerk)

Contact Phone

Contact Email

Please complete the above information and **fax or email** all pages of the proposal to
813-258-9333 / bmeyers@leasing2.com



**** Important: A Resolution will be required with the lease contract ****
In the event that you require board action to sign this proposal,
please call us so that we may forward the preferred form for the meeting.

Are you ready to move forward with Leasing 2?

Here is a quick overview of our process

- 1. Signed Proposal** - When you are ready to move forward with Leasing 2, email a scan of the completed and signed proposal back to Leasing 2.
- 2. Credit Application** - A credit application and request for current financial reports will be emailed to the designated contacts upon receipt of the signed proposal. The credit application should be completed and returned promptly to protect your quoted interest rates. Credit approval usually comes within a few days receipt of the completed credit application.
- 3. Financing Agreement** - Once credit approval is accomplished, the financing agreement will be emailed for review and signature. Once the contracts are signed and returned, we are ready for closing.



DAVIS TRUST COMPANY

227 Davis Avenue
P.O. Box 1429
Elkins, WV 26241-1429

Phone: (304) 636-0991
Fax: (304) 636-5528
www.davistrust.com

February 27, 2024

City of Elkins
401 Davis Avenue
Elkins, WV 26241

RE: 2023 Sutphen Custom Pumper

Dear Tracy,

Davis Trust Company is pleased to offer a loan rate of 5.49% fixed for 10 years for the purchase of Elkins Fire Department's new 2023 Sutphen Custom Pumper truck. The loan would not be subject to a prepayment penalty and would be secured by the vehicle to be purchased. Please do not hesitate to contact me with questions or concerns at 304.636.0991 ext 276.

Yours Truly,

Hoy A Ferguson
President/Chief Lending Officer
Davis Trust Company



February 28, 2024

City of Elkins
c/o Tracy Judy, Treasurer
401 Davis Ave.
Elkins, WV 26241

RE: 2023 Sutphen Custom Pumper

Dear Ms. Judy,

Thank you for the opportunity to fund the purchase of a new fire truck. Citizens Bank of West Virginia is happy to send you the following proposal:

Interest rate:	5.50% fixed rate (tax exempt)
Term:	10 years
Collateral:	2023 Sutphen Custom Pumper
Closing fees:	None
Prepayment Penalty:	None
Contingencies:	Review of audited financial statements covering the last 3 years and other due diligence that may be required.

If you have any questions about the foregoing terms please contact Frank Hinzman, Senior VP/CLO at 304-637-2169 or via email hinzman@citizenswv.com or Nathaniel Bonnell, President/CEO at 304-637-2179 or via email nbonnell@citizenswv.com.

Sincerely,

Franklin W. Hinzman
SVP/CLO
Citizens Bank of WV



February 29, 2024

City of Elkins
ATTN: Tracy R. Judy
401 Davis Avenue
Elkins, WV 26241

Dear Tracy Judy:

In response to your request for a loan in the amount of \$615,020 please see the proposed rate.

7.12% Amortized over 10 years

This loan would be dependent upon an acceptable internal financial review with the ability to service the new debt for the borrowing entity and approval by the banks' board of directors.

The Grant County Bank appreciates the opportunity to serve you and should you have any questions or concerns, please do not hesitate to call me at 304-259-5201, email me at lteets@grantcountybank.com, or stop by my office in Davis. We look forward to the opportunity to work with you on this project.

Sincerely,

Lindsey Teets
Commercial Lender
Davis Branch

P.O. Box 929 Petersburg, WV 26847 - (304) 257-4111 - Fax (304) 257-4386
P.O. Box 16 Riverton, WV 26814 - (304) 567-2224 - Fax (304) 567-3020
1336 New Creek Highway, Keyser, WV 26726 - (304) 788-8040 - Fax (304) 788-8042
500 S. Main Street Moorefield, WV 26836 - (304) 538-6566 - Fax (304) 538-6569
P.O. Box 129 Harman, WV 26270 - (304) 227-4104 - Fax (304) 227-3642
P.O. Box 517 Davis, WV 26260 - (304) 259-5201 - Fax (304) 259-5649
5502 Appalachian Highway, Davis, WV 26260 - (304) 866-4848 - Fax (304) 866-4180



CITY OF ELKINS AGENDA ITEM REPORT

Meeting Date:	March 7, 2024
Section:	New business
Category:	Action Item
Agenda Item Name:	FY 2025 budget
Recommended By:	Administrative officers
Summary:	The Admin Team will present initial recommendations for the FY 2025 General Fund budget.
Fiscal Impact:	TBD
Recommendation:	Review information and consider for approval and recommendations
Attachments:	None



CITY OF ELKINS AGENDA ITEM REPORT

Meeting Date:	March 7, 2024
Section:	New business
Category:	Action Item
Agenda Item Name:	Funding for sewer line relocation under city lot on Eleventh Street
Recommended By:	Mayor
Summary:	State economic development funds appear to be available for relocation of a sewer main under the city property at Eleventh Street and Barron Avenue. Relocation of this line will make the property more appealing for purchase/development. A bid to perform this work is in hand. This agenda item was requested to investigate the possibility of using city funds up front to ensure prompt project start, to be reimbursed by the state later. Additional information will be presented at the meeting.
Fiscal Impact:	The estimate in hand is for \$147,000 in engineering and construction costs.
Recommendation:	Consider for recommendation to council (this item appears on tonight's council agenda)
Attachments:	None