



THE CITY OF KEY WEST

Post Office Box 1409 Key West, FL 33041-1409 (305) 809-3700

MEMORANDUM

EXECUTIVE SUMMARY

TO: Patti McLauchlin, Interim City Manager

FROM: Mark Finigan, Chief Financial Officer

DATE: May 21, 2021

RE: Change in "Lessor" in Self-Contained Breathing Apparatus (SCBA) Master Equipment Lease Purchase Agreement

Action Statement:

This resolution is to approve a change in "Lessor" in the lease purchase agreement for self-contained breathing apparatus (SCBA) from BB&T Bank (approved with Resolution 20-212, November 4, 2020) to Community Leasing Partner/Community First National Bank. Authorize City Manager, upon review and consent of the City Attorney, to execute all necessary lease purchase agreement documents.

Background:

Resolution 20-212 authorized the lease-purchase of self-contained breathing apparatus (SCBA) at a cost of \$483,365.00 purchased under the Lake County Florida Contract #17-0606G pursuant to Section 2-797 (3) of the Code of Ordinances – Purchases and acquisitions under contracts of federal government, the state or its political subdivisions, and governmental purchasing cooperative programs. A down payment of \$175,000.00 was made with the remaining amount of \$308,365.00 to be lease financed. Lease financing was to be provided through a "lease to own" capital equipment lease agreement with BB&T Bank. However, BB&T sold the division that was extending the capital equipment lease to the City of Key West and ultimately could not hold their "matched" quoted rate of 2.68% attributable to the significant delay in delivery of the equipment.

Community Leasing Partner, a division of Community First National Bank, was one of three leasing institutions that provided a quote as mentioned in Resolution 20-212. Community Leasing Partner's rate was 2.68% and they have agreed to hold this rate, which was the rate BB&T matched.

Financial Impact:

All the financial impacts in Resolution 20-212 still apply. This resolution is only to approve a change in "Lessor."

Recommendation:

We recommend approving the change in "Lessor" in the lease purchase agreement for self-contained breathing apparatus (SCBA) from BB&T Bank (approved with Resolution 20-212, November 4, 2020) to Community Leasing Partner/Community First National Bank.

Key to the Caribbean – Average yearly temperature 77° F.