



TOWN OF LAKE PARK



**Fleet Replacement Financing –
2026 Mack TE64R Sanitation Truck**
Wednesday, February 4, 2026



FLEET REPLACEMENT FINANCING – 2026 MACK TE64R SANITATION TRUCK

- Financing approval for one (1) 2026 Mack TE64R sanitation truck with Heil front-end loader
- Fleet replacement previously authorized by the Town Commission
- Essential for uninterrupted residential solid waste collection
- Revised financing required due to post-approval supply-chain delays



FINANCING OPTIONS EVALUATED

- KS State Bank
 - 4-year municipal lease-purchase
 - 6.25% tax-exempt interest rate
 - Highest total interest cost

| Payment | Due Date | Total Payment | Applied to Interest | Applied to Principal | Purchase Option Price |
|---------|-----------|---------------------|---------------------|----------------------|-----------------------|
| 1 | 1/22/2027 | \$109,265.76 | \$23,528.75 | \$85,737.01 | \$298,452.12 |
| 2 | 1/22/2028 | \$109,265.76 | \$18,170.18 | \$91,095.58 | \$203,631.44 |
| 3 | 1/22/2029 | \$109,265.76 | \$12,476.71 | \$96,789.05 | \$104,221.44 |
| 4 | 1/29/1930 | \$109,265.76 | \$6,427.40 | \$102,838.36 | \$0.00 |
| | | \$437,063.04 | \$60,603.04 | \$376,460.00 | |



FINANCING OPTIONS EVALUATED

• Flagler Credit Union

- Municipal financing option reviewed
- 6% tax-exempt interest rate (loan at 80% Value)
- Condition of Loan: A minimum of \$500,000 must be deposited into an account at Flagler Credit Union
- Note: Down payment due approximately March 01, 2026, for \$79,000, and the financed balance is \$316,000

| Payment | Due Date | Total Payment | Applied to Interest | Applied to Principal | Purchase Option Price |
|--------------|------------------------|---------------------|---------------------|----------------------|-----------------------|
| 1-12 | April 26 - March 27 | \$89,055.23 | \$16,999.89 | \$72,055.34 | \$243,944.66 |
| 13-24 | April 27 - March 28 | \$89,055.23 | \$12,555.67 | \$76,499.56 | \$167,445.10 |
| 25-36 | April 28 - March 28 | \$89,055.23 | \$7,837.35 | \$81,217.88 | \$86,227.22 |
| 37-48 | April 29 - March 30 | \$89,055.23 | \$2,828.01 | \$86,227.22 | \$0.00 |
| | | \$356,220.92 | \$40,220.92 | \$316,000.00 | |



FINANCING OPTIONS EVALUATED

• TD Equipment Finance

- 3- and 4-year tax-exempt financing (4 year shown here)
- Interest rate 3.64%
- Lowest cost option
- Note: 2 semi-annual payments of principal & interest; 1st payment due March 2026

| Payment | Due Date | Total Payment | Applied to Interest | Applied to Principal | Purchase Option Price |
|---------|----------------------|---------------------|---------------------|----------------------|-----------------------|
| 1-2 | 3/30/26 - 9/30/26 | \$101,963.10 | \$12,864.20 | \$89,098.90 | \$287,361.10 |
| 3-4 | 3/30/27 - 9/30/27 | \$101,963.10 | \$9,601.55 | \$92,361.95 | \$194,999.15 |
| 5-6 | 3/30/28 - 9/30/28 | \$101,963.10 | \$6,217.37 | \$95,745.73 | \$99,253.42 |
| 7-8 | 3/30/29 - 9/30/29 | \$101,963.10 | \$2,710.26 | \$99,253.42 | \$0.00 |
| | | \$407,852.40 | \$31,393.38 | \$376,460.00 | |



COST & RISK COMPARISON

- TD interest rate is about 2.6 percent less interest than KS State Bank
- TD financing yields tens of thousands of dollars in interest savings
- All options are tax-exempt governmental obligations
- No ad valorem tax pledge
- Subject to annual appropriation



STAFF RECOMMENDATION

- Proceed with TD Equipment Finance
 - Lowest cost of capital
 - Preserves the Sanitation Fund reserves
 - Maintains budget predictability
 - Aligns debt service with asset life

- Requested Action
 - Authorize staff to proceed with TD Equipment Finance

THANK YOU

QUESTIONS & COMMENTS

