



Town of Lake Park Town Commission

Agenda Request Form

Meeting Date: June 3 , 2026

Originating Department: Finance & Public Works

Agenda Title: Resolution 47-06-26 – Lease-Purchase Finance Agreement – 2026
Mack LR64R Sanitation Truck with 2025 Heil Automatic Side Loader
(ASL) – TD Bank – \$393,889

Approved by Town Manager: _____ **Date:** _____

Cost of Item: \$393,889 **Funding Source:** NA

Account Number: NA **Finance Signature:** Barbara A. Gould

Advertised:
Date: _____ **Newspaper:** _____

Attachments: Attachment A: Resolution 47-06-26
Attachment B: Approved financing proposal from TD Bank, if applicable
Attachment C: Invoice, Buyer’s Order, and supporting vehicle purchase documents
Attachment D: Resolution # 150223

Please initial one:
 X Yes, I have notified everyone.
____ Not applicable in this case

Summary Explanation/Background:

The Public Works Department requests the Town Commission’s approval of a Government Obligation Contract with TD Bank to lease-purchase the acquisition of a 2026 Mack LR64R sanitation truck equipped with a 2025 Heil ASL body. This vehicle is a critical fleet replacement necessary to ensure the continued, reliable collection of residential solid waste services throughout the Town of Lake Park.

The purchase of this sanitation vehicle was previously authorized by the Town Commission on October 18, 2023 (Resolution No. 79-01-23) as part of the Town’s capital planning and fleet replacement strategy.

However, following Commission approval and due to the COVID-19 Pandemic, the truck manufacturing industry experienced worldwide supply chain disruptions, leading to manufacturing constraints and extended production timelines. These conditions created a significant backlog of specialized heavy-duty sanitation equipment nationwide and delayed the Town's ability to obtain delivery of the approved unit within the initially anticipated timeframe.

During the Fiscal Year 2025–2026 Budget process, the Town Commission adopted a Capital Improvement Plan (CIP) identifying the need for continued investment in essential Public Works vehicles and equipment, including the sanitation fleet replacement program, which supports the Town's operational reliability, service delivery standards, and long-term fiscal planning objectives.

As part of implementing the approved CIP and Budget, staff evaluated financing options for purchasing this essential piece of equipment, and it was determined that a municipal lease-purchase structure offered the most fiscally responsible approach.

The various financing options include:

1. Municipal Four (4) Year Lease-Purchase Option (Currently Recommended by Public Works)
2. Short-Term Bank Loan and/or Financing Option (Currently under review)
3. Purchase Utilizing Sanitation Fund Reserve Funding (Currently under review)

Note: In advance of consideration of the four (4) year lease-purchase option to ensure that this is the best option, staff evaluated all financing options and costs available to the Town [purchase financing was provided by two (2) local financial institutions - Flagler Credit Union and TD Bank – along with financing provided through the vehicle manufacturer – KS StateBank]. As a result, staff has determined that TD Bank provides a better financing option, which was presented to the Town Commission earlier this year for consideration to ensure the best financing is utilized in purchasing these critical trucks and maintaining the highest levels of sanitation collection services within the Town. The Town Commission unanimously voted to proceed with the financing provided by TD Bank for side-loader sanitation vehicle on March 25, 2026 (Resolution 26-03-26).

At this time, the Public Works Department is proposing that the Town Commission consider the current proposed four (4) year lease-purchase option. If approved, the total amount financed with TD Bank would be \$393,889 (Total Truck Purchase Price, plus interest and all financing fees) and would be financed under the final terms approved by TD Bank.

Note: The agreement is structured as a tax-exempt governmental obligation subject to annual appropriation. It does not constitute a general obligation debt of the Town, nor does it pledge ad valorem tax revenues. Payments are intended to be supported by the Sanitation Non-Ad Valorem Assessment, with the General Fund identified as a backup funding source, consistent with Florida municipal finance practices.

The agreement includes standard provisions commonly utilized by Florida municipalities, including a non-appropriation clause, insurance and risk management requirements, maintenance and operational responsibilities, and bank-qualified certification under federal tax law.

Funding to support this proposed four (4) year lease-purchase is available within the Sanitation Fund's adopted FY 2026 Budget and is expected to be included for consideration within future Budget requests.

Note: The Town's Purchasing Code – Section 2-244. Exemptions state:

This division shall not apply to:

The procurement of dues and memberships in trade or professional organizations; registration fees for trade and career fairs, subscriptions for periodicals and newspapers; advertisements; insurance brokerage; postage; legal and mediation services; professional medical services; services associated with the purchase or sale of real property; abstracts of title for real property; title searches and certificates; title insurance for real property; real estate appraisal services; water, sewer, telecommunications and electric utility services; copyrighted materials or patented materials including, but not limited to, technical pamphlets, published books, maps, testing or instructional materials; fees and costs of job-related seminars and training; admission fees for parks and entertainment activities included in Town recreational programs;

Additionally, the Code's procurement requirements do not apply to services exempt under Section 287.05, Florida Statutes, including financial and banking services. A lease-purchase or Government Obligation Contract is legally characterized as a financial instrument and financing mechanism, not as the procurement of goods. Competitive procurement requirements apply to the acquisition of the vehicle itself, not to the financing method used to fund the purchase.

The proposed four (4) year lease-purchase option financing was prepared by the proposed financing bank, TD Bank, and reviewed by the Public Works Director, the Finance Director, and the Town Attorney.

The Town has previously worked with the proposed banking firm, TD Bank [currently maintain one (1) loan with this institution totaling approximately \$376,460], and they have provided a quality product and good customer service.

RECOMMENDATION:

I move to adopt Resolution 47-06-26 to approve a Lease-Purchase Finance Agreement with TD Bank to purchase a 2026 Mack LR64R Sanitation Truck with 2025 Heil ASL Body, in the amount of \$393,889 (3.52% interest rate); and authorize the Mayor to execute the proposed Four (4) Year Lease-Purchase Agreement.