

Issue Analysis Form



Date: 8/14/2018
Item: Police Vehicle
Lead Department(s): Purchases - \$400,000
Police Department, County
Garage & Finance
Keith Early; Mike Purvis &
Ralph Summerson; Betsy
Contact Person(s): Drewry

Description and Current Status

As part of the fiscal year 2019 adopted budget, the County included \$400,000 of debt issuance for the purchase of Police vehicles. Vehicle replacement purchases have been recommended at a rate of 10 vehicles each year over the course of the next two years (years 1 through 3 complete FY2016, FY2017 and FY2018). This will refresh the entire fleet over the course of five years and if repeated every year thereafter, will continuously keep the fleet in a five year replacement cycle. The purchase of the 10 Police vehicles is estimated to cost just under \$400,000.

The vehicles will be purchased from the state contract. Attached is a document that shows which vehicles are recommended for replacement and recommendations of what vehicles to purchase for the Police Department.

The recommended source of funding is borrowing / bond issuance in the Spring / Summer of 2019.

Staff is requesting the board to authorize:

- Appropriation of funds through bond issuance in the Spring/Summer of 2019;
- A reimbursement resolution for future debt issuance.

Two resolutions are included in the board packet for consideration. One resolution approves the appropriation, the other is a reimbursement resolution which expresses the intent of the County to purchase vehicles now and reimburse themselves with bond proceeds issued in the spring of 2019.

Government Path

- | | | |
|--|---|--|
| Does this require IDA action? | <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No |
| Does this require BZA action? | <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No |
| Does This require Planning Commission Action? | <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No |
| Does this require Board of Supervisors action? | <input checked="" type="checkbox"/> Yes | <input type="checkbox"/> No |
| Does this require a public hearing? | <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No |
| If so, before what date? | <input type="checkbox"/> Yes | <input type="checkbox"/> No |

Fiscal Impact Statement

The total cost projected is \$400,000. The issuance of this debt does not require an increase in the tax rates.

County Impact

The continued vehicle replacement cycle allows for a complete refresh of Police pursuit vehicles over 5 years and allows for the purchase of some other department vehicles as well.

Notes

Board of Supervisors
County of Prince George, Virginia

Resolution

At a regular meeting of the Board of Supervisors of the County of Prince George held in the Boardroom, Third Floor, County Administration Building, 6602 Courts Drive, Prince George, Virginia this 14th day of August, 2018:

Present:

Vote:

Alan R. Carmichael, Jr., Chairman
Donald R. Hunter, Vice-Chairman
Floyd M. Brown, Jr.
Marlene J. Waymack
T. J. Webb

A-5

On motion of _____, seconded by _____, which carried unanimously, the following Resolution was adopted:

RESOLUTION; APPROPRIATION (\$400,000 POLICE VEHICLE PURCHASE)

BE IT RESOLVED That the Board of Supervisors of the County of Prince George this 14th day of August, 2018, does hereby authorize the following increase of funds within the 2018-2019 Budget, such line items increased as follows, which monies to be expended for purposes authorized and approved by the Board of Supervisors of the County of Prince George:

<u>FUND/ORGANIZATION</u>		<u>AMOUNT</u>
<u>Expenditure:</u>		
0311-03-100-3103-48105-3103	Police Vehicle Replacement	\$400,000
<u>Revenue:</u>		
0311-40-900-8115-341401	Debt Proceeds	\$400,000

A Copy Teste:

Percy C. Ashcraft
County Administrator

Board of Supervisors
County of Prince George, Virginia

Resolution

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Present:

Vote:

Alan R. Carmichael, Chairman
Donald R. Hunter, Vice-Chairman
Floyd M. Brown, Jr.
Marlene J. Waymack
T. J. Webb

A-5

On motion of _____, seconded by _____, which carried unanimously, the following Resolution was adopted:

**RESOLUTION OF OFFICIAL INTENT TO REIMBURSE
EXPENDITURES WITH PROCEEDS OF BONDS
OR OTHER INDEBTEDNESS**

WHEREAS, the Board of Supervisors (the "Board") of the County of Prince George, Virginia (the "County") has previously determined to undertake the Purchase of 10 Public Safety (Police) Vehicles (the "Purchase");

WHEREAS, the Board currently expects that the cost of the Purchase, excluding the costs of the financing thereof, will be approximately \$400,000;

WHEREAS, the Board currently expects to incur long-term indebtedness in an amount now estimated at \$400,000 to pay a portion of the costs of the Purchase, which indebtedness may take the form of tax-exempt bonds or other types of debt; the proceeds of such indebtedness may be used either for paying costs of the Purchase directly or for repaying other indebtedness previously incurred for the Purchase or for a combination of such purposes; and

WHEREAS, the County may also advance its own funds to pay expenditures relating to the Purchase (collectively, the "Expenditures") prior to receiving reimbursement for such Expenditures from the proceeds of tax-exempt bonds or taxable debt, or both;

THEREFORE, BE IT RESOLVED, by the Board of Supervisors of the County as follows:

1. The County intends to utilize the proceeds of tax-exempt bonds or notes (the “Bonds”) or to incur other debt to pay Purchase costs in an amount not currently expected to exceed \$400,000.

2. The County intends that the proceeds of the Bonds be used to pay or reimburse the County for the payment of Expenditures made after the date of this Resolution or made within 60 days prior to the date of this Resolution or Expenditures which are incurred for certain preliminary costs such as architectural, engineering, surveying, soil testing, bond issuance expenses and the like. The County reasonably expects on the date hereof that it will pay or reimburse the Expenditures with the proceeds of the Bonds or other debt.

3. Each Expenditure will be, unless otherwise approved by bond counsel, either (a) of a type properly chargeable to a capital account under general federal income tax principles (determined in each case as of the date of the Expenditure), (b) a cost of issuance with respect to the Bonds, or (c) a nonrecurring item that is not customarily payable from current revenues.

4. The County intends to make a reimbursement allocation, which is a written allocation by the County that evidences the County’s use of proceeds of the Bonds to reimburse an Expenditure, no later than 18 months after the later of the date on which the Expenditure is paid or the Purchase is placed in service or abandoned, but in no event more than three years after the date on which the Expenditure is paid. The County recognizes that exceptions are available for certain “preliminary expenditures,” costs of issuance, and certain de minimis amounts.

5. The Board intends that the adoption of this Resolution confirms the “official intent” of the County within the meaning of Treasury Regulations Section 1.150-2 promulgated under the Internal Revenue Code of 1986, as amended.

6. The County Administrator and other officers of the County are hereby authorized and directed to take such actions, in consultation with the County’s counsel, as may be necessary or desirable to implement the planning and structuring of the Bonds, including but not limited to negotiations with lenders or investment bankers for the Bonds, the selection of bond counsel to supervise the issuance of such Bonds and the engagement of such other professionals as may be necessary or desirable to assist the County in this process, but such officers shall not obligate the County on such Bonds without further approval by the Board.

7. This Resolution shall take effect immediately upon its passage.

A Copy Teste:

Percy C. Ashcraft
County Administrator

Prince George County

POLICE FLEET PURCHASE RECOMMENDATIONS

AUGUST 14, 2018

Ford Interceptor- UTILITY



Chevrolet- Impala



Recommendations

- Police - \$400,000 Borrowing
 - 8 Ford Interceptor Utility
 - 2 Chevrolet Impala Sedans {Detectives}
- Sheriff
 - Replacements handled **through FY2017-18 Operating Budget [4 Purchased in FY2018]**
 - **2 planned in adopted FY2018 budget**
 - **1 purchased when 2001 Oldsmobile could not be repaired [January 23, 2018 Resolution R-18-013 - Contingency]**
 - **1 shifted from FY2019 to FY2018 with unanticipated refunds and contingency**

Total Pricing – New Police Vehicles

Dept.	Vehicle Description	Qty	Cost @	Equipment / Decal Cost @	Subtotal	Total cost
Police	2019 Ford Interceptor Utility	8	\$36,094.00	\$8,000.00	\$44,094.00	\$352,752.00
Police	2019 Chevrolet Impala	2	\$22,700.00	\$900.00	\$23,600.00	\$47,200.00
TOTAL						\$399,952.00

*State contract price available September 2018; estimate of current pricing + 10% is used above

2018-19 Replacement Plan Vehicles Recommended for Surplus

Fleet #	License #	Vehicle Description	VIN #	Department	Mileage	Est. Surplus Value
7	JEP-5283	2003 Pontiac Grand Prix	1G2WK52JX3F173165	Police	148,900	\$ 1,100.00
16	163-634L	2013 Chevy Caprice	6G1MK5U26DL810270	Police	110,427	\$ 2,100.00
18	56-108L	2011 Ford Crown Vic	2FABP7BV0BX131610	Police	87,038	\$ 1,800.00
26	107-928L	2011 Dodge Charger	2B3CL1CT0BH557524	Police	99,818	\$ 2,200.00
28	124-249L	2006 Ford Crown Vic	2FAHP71W16X120044	Police	118,200	\$ 1,400.00
40	188-927L	2008 Ford Crown Vic	2FAHP71VX8X130100	Police	96,203	\$ 1,900.00
44	120-029L	2011 Ford Crown Vic	2FABP7BV7BX104274	Police	128,436	\$ 1,800.00
45	161-952L	2012 Dodge Charger	2C3CDXAT5CH226851	Police	112,722	\$ 2,100.00
79	181-298L	2009 Ford Crown Vic	2FAHP71V19X104616	Police	88,347	\$ 1,900.00
80	181-297L	2009 Ford Crown Vic	2FAHP71V49X104609	Police	100,122	\$ 1,800.00
					Total	\$ 18,100.00

Recommendations for replacement based on mileage, vehicle condition and repair history.