



Creative Financing Solutions for Acquiring Fire Apparatus

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Benefits of Tax-Exempt Leasing

- Flexible payments to fit budget requirements
- Fixed interest rate during your contract term
- Payable from current year appropriations to avoid longer term debt which could require voter approval
- Acquire apparatus at today's prices with tomorrow's dollars
- Interest paid to lessor by district is exempt from federal income taxes; these savings are passed on to the lessee in the form of lower interest rates

Lease Program Benefits

- Lease contract can be written with a balloon payment at expiration
- Allows the district to purchase the vehicle outright or use the balloon payment as a guaranteed turn-in value towards a new vehicle
- The lease contract is priced as a tax-exempt lease, affording the lowest payment option possible
- Different year terms available
- More buying power – lower payments mean more truck options or additional vehicles
- Ability to update fleet more frequently with the latest in safety and firefighting technology
- Lower maintenance costs with less down time
- Maintain level annual budgeting and reduce cash flow

Other Leasing Suggestions

- Lease contracts should be reviewed by attorney and auditor
- Ask for a Bumper to Bumper Warranty to coincide with the term of the lease
- Contact your local bankers for assistance in putting together a long-term program for apparatus purchases

About the Author:

Barbara Beshears has been the Finance Director at LWFPD since May 1994 and has worked in governmental accounting since 1980. She's responsible for the accounting, financial and business-related tasks such as budgeting, investing, preparing/monitoring financial policies and procedures and financial reporting.