



## Police Vehicles

Optimize Savings using the *HCESC/KS Bank* Small Ticket

**T**ax **E**xempt **L**ease **P**urchase (TELP) NJ State Approved HCESC Co-op Program



### Police Cruisers

### Questions and Answers:

*The greatest savings when acquiring your vehicles comes from good planning by grouping all of your police vehicle acquisitions to once a year. **If you are acquiring in excess of \$200,000 in vehicles you should use our traditional HCESC Lease Purchase Bidding Service.** The Lease Purchase Bidding Service custom develops a financing bid to meet the specific financial situation for your governmental entity. In the real world you may only be acquiring two or three vehicles a year. If you are considering Lease Purchase the HCESC/TELP can save your governmental entity precious tax dollars.*

Q: *We have always leased purchased our police cars using the manufacturer's financing programs. How does the HCESC/KS Bank TELP Program help my town to save money over the manufactures financing offerings?*

A: The vendor financing programs available for police cars and passenger vehicles are an accommodation and a profit center for the manufacturers. Historically the interest rates associated with these programs have been much higher than the rates obtained by the competitive bidding process. The NJ State Approved Cooperative Pricing System #34HUNCCP has designed then RFB, conducted, the Bid and Awarded HCESC Bid #TELP 18/19. This competitive process has yielded extremely competitive interest rates.

Q: *Is the documentation for these Lease Purchase transactions compliant with NJ laws and statutes?*

A: Yes, the documentation for your transaction was reviewed by the firm of McManimon, Scotland and Baumann, LLC. They are respected bond and special counsel here in New Jersey. The documentation is designed specifically for NJ governmental entities qualified to enter into tax-exempt financing.



Q: *In the past we have just signed a “snap-out” lease agreement in the past for these types of transactions; why are there additional documents associated with the HCESC/KS Bank TELP Program?*

A: The documentation for the TELP includes the lease purchase, a certification and resolution of your governing body. The traditional “snap-out” forms that have been used in these size transactions have included references to actions to be taken by your governing body which, by virtue of signing you are attesting have, or will have, taken place and that the transaction has been authorized via resolution. In crafting the TELP documentation we have endeavored to insure that all applicable NJ State and Federal laws and statutes are complied with to protect our Members, the bank and the tax-exempt status of these transactions.

Q: *Can our attorney modify the documentation package we receive from KS Bank in connection with these transactions?*

A: The documentation for these transactions may not be modified. Please understand that in order to obtain the low interest rates associated with this program the documentation has been pre-negotiated and standardized.



Website: [www.baystone.net](http://www.baystone.net)



Dennis R. Balodis, Financial Advisor  
HCESC Lease Purchase Bidding Service  
[DBalodis@HunterdonESC.org](mailto:DBalodis@HunterdonESC.org)  
908 572-7715

Contacts: Jon Long  
KS StateBank  
[jlong@ksstate.bank](mailto:jlong@ksstate.bank)  
1-800-752- 3562

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