

STAFF REPORT



SUBJECT: Consider Approval of Resolution Regarding a Financing Agreement for the Purpose of Procuring Police Vehicles

DEPARTMENT: Finance

STAFF CONTACT: Monica Harris

RECOMMENDATION:

Staff are requesting the Council to approve a financing agreement with Government Capital Corporation for equipment cost of \$173,830.27 at 5.70% with 4 annual payments of \$48,508.27 beginning 6 months from signing.

BACKGROUND:

During budget preparation, the Police Department requested to lease or finance three (3) Police Tahoes and one (1) Police Patrol Pickup with a total annual payment of \$61,000.

Bids were requested and opened, and Bruner Chevrolet was the lowest quote on all vehicles for a total quote of \$173,830.27.

Government Capital Corporation provided two financing options: one for four years and one for 5 years. Since the four-year option is within the budget and is over \$5,400 less in total interest payments, the four-year option is recommended.

FISCAL IMPACT SUMMARY:

Approving this financing agreement will obligate the City to \$48,508.27 in debt service payments for the next three years.

ALTERNATIVES

Not approve the financing agreement and pay cash for the vehicles.

Not approve the financing agreement and pursue other financing arrangements.