

STAFF REPORT



SUBJECT: Consider Approval of Resolution Regarding a Financing Agreement for the Purpose of Procuring Mowers and Related Ground Maintenance Equipment

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 \$133,638.04 at 5.732% with 5 annual payments of \$30,776.10 beginning May 2024.

BACKGROUND:

During budget preparation, the Parks and Recreation Department requested to purchase a Ventrac 4520A, a top dresser 2500, a batwing mower, and a stand on spray master. The purchase would be funded through a financing agreement.

Government Capital Corporation provided two financing options: one for five years and one for 7 years. Since the five-year option is within the budget and is over \$8,600 less in total interest payments, the five-year option is recommended.

FISCAL IMPACT SUMMARY:

Approving this financing agreement will obligate the City to \$30,776.10 in debt service payments this year and for the next four years.

ALTERNATIVES:

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

Not approve the financing agreement and pursue other financing arrangements.