



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 \$155,655 at 5.732% with 4 annual payments of \$42,225.02.

BACKGROUND:

During budget preparation, the Police Department requested to purchase three (3) police vehicles with an estimated cost of \$141,000 with an estimated equipment cost of \$124,500 for a total budget of \$265,500. The purchase of the vehicles would be funded through a financing agreement.

Government Capital Corporation provided financing options for four years with the first payment due at signing or the first payment due 6 months after signing and annual payments thereafter.

FISCAL IMPACT SUMMARY:

Approving this financing agreement will obligate the City to \$42,225.02 in debt service payments this year and for the next three years. The amount budgeted for debt service for this purchase was \$40,500, leaving a deficit of \$1,725.02 which will be taken from the amount budgeted to equip these vehicles.

ALTERNATIVES

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

Not approve the financing agreement and pursue other financing arrangements.