

MEMORANDUM

To: Mayor and City Councilmembers
Douglas Faseler, City Manager

From: Susan Caddell, Director of Finance, City of Seguin

Subject: Lease-Purchase Financing

Date: March 13, 2019

In the FY2019 budget, there were several pieces of equipment for the Golf Course that were budgeted to be purchased through a lease purchase contract. These items include a grader and a truckster. The past several years, we have issued tax notes to purchase larger pieces of equipment that is of higher value. These two items total is \$49,974. Rather than go through tax notes, I am recommending financing through Government Capital. In the past several years, when I have received quotes for financing equipment, they have come in right behind the tax notes with the best offer. We have also financed through them in the past. There is currently \$12,096 budgeted for payments towards these two pieces of equipment. We are recommending putting that much as a down payment to the vendors and financing the remainder through Government Capital. Attached is a resolution and contract with Government Capital. The annual payments will be \$14,085.18 with the first beginning March 28, 2020.

Staff is recommending approval of the attached resolution approving a three-year lease purchase agreement with Government Capital Corporation.

Please let me know if you have any further questions.