

## **MEMORANDUM**

**To:** Mayor Donna Dodgen  
City Council  
Steve Parker, City Manager

**From:** John Donnelly, Director of Public Works

**Subject:** John Deere 544K Wheel Loader Lease Payoff

**Date:** August 28, 2023

In 2018, the City entered into a 5-Year lease agreement with John Deere Financial for a John Deere 544K Wheel Loader in the amount of \$169,288.50, with an additional annual premium maintenance plan fee of \$14,703.50. This is the final year of the lease agreement.

This loader is the most powerful loader in the fleet network and is used to push the Asphalt Zipper to complete paving projects. To replace the loader today would cost approximately \$260,000.

Staff is seeking Council approval to purchase the remaining contract year in the amount of \$99,960, for full ownership. Funding was approved during the mid-year budget adjustment presented earlier this year.

Staff will be available to answer any questions.

**Cc:** Rick Cortes, Assistant City Manager  
Susan Caddell, Finance Director  
File