

It's real.

**MEMORANDUM**

**To:** Mayor and City Councilmembers  
Steve Parker, City Manager

**From:** Susan Caddell, Director of Finance

**Subject:** Police Vehicles Lease Purchase

**Date:** May 30, 2024

During the April 16, 2024 City Council meeting, City Council approved to purchase ten (10) 2024 patrol vehicles and during the March 21, 2023 City Council meeting, City Council approved to purchase ten (10) 2023 patrol vehicles. We are just now getting the 2023 vehicles in along with the 2024 vehicles. Staff is requesting to purchase these vehicles through a four-year lease/purchase with American National Leasing. This is the same financing program we utilized for the past several years to lease purchase vehicles in FY17 through FY22. The vehicles we have purchased in the past were offset by selling some of our Chevrolet Tahoes we purchased through this program in prior years. This time, we will be selling some of our Tahoes we purchased in FY19 and FY20. American National Leasing received bids for the purchase of the FY19 and FY20 vehicles giving us a total of \$214,000. There is still a balance owed on these vehicles of \$131,734.77 leaving \$82,265.23. In addition, there is still a balance owed on the eight vehicles we will be keeping of \$106,234.82, leaving a balance owed on the vehicles of \$23,969.

This lease/purchase is utilized by several departments throughout the country in order to provide an updated fleet and keep the costs for these vehicles within the City's budget. We have budgeted for all the lease payments on the current fleet for FY24, which leaves \$308,537.63. After paying the balance of \$23,969.59 on the vehicles we are keeping, we have \$284,568.04 remaining to be used as a down payment for this year's lease/purchase.

Due to the fact the cost of police vehicles has risen considerably, an additional minimum of \$206,293 will need to be included in the FY25 budget to account for the payments of the 2021, 2022, 2023, and 2024 police Tahoes. I will come back with either an end of year budget amendment or include it in the FY25 budget process.

Staff is recommending approval of the attached resolution approving a four-year lease purchase agreement with American National Leasing. Please let me know if you have any further questions.