

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: October 27, 2022

During the January 18, 2022 City Council meeting, City Council approved to purchase thirteen (13) patrol vehicles. We are just now getting these vehicles in. 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, FY18, FY19, FY20 and FY21. The vehicles we purchased in FY21 were offset by selling some of our Chevrolet Tahoe's we purchased through this program in FY17. This time, we will be selling some of our Tahoe's we purchased in FY18. American National Leasing received bids for the purchase of the FY18 vehicles giving us a total of \$210,000. There is still a balance owed on these vehicles of \$73,835.87 leaving \$136,164.13. In addition, there is still a balance owed on the four vehicles we will be keeping of \$32,807.34, leaving \$103,357 to be applied towards the purchase of the new Tahoe's.

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 FY23, which leaves \$241,771 remaining to be used as a down payment for this year's lease/purchase. Due to the fact we are almost a year behind on the vehicle purchases, I am recommending we only use \$121,000 as a down payment, saving \$120,771 for possibly receiving the FY23 vehicles prior to September 30, 2023.

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.