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## MEMORANDUM 22-02

- TO: Mayor Donna Dodgen City of Seguin City Council Mr. Steve Parker, City Manager
- FROM: Terry Nichols, Chief of Police

Lease of Police Vehicles **SUBJECT:** 

**DATE:** January 6, 2022

During the 2016-2017 budget, our staff introduced the concept of a lease/purchase option for the Police Department patrol fleet. It was determined during that process that a lease/purchase option for the Police Department patrol fleet was much more lucrative in that it allowed for the acquisition of twice as many vehicles for the approximate same amount of dollars spent leading to considerable cost-savings over the term of the lease. The vehicles were leased/purchased through BuyBoard and the financing was done through American National Leasing. The intent is to continue this relationship with this being the second year of returning vehicles leased in 2018 and applying the equity value from these vehicles towards new vehicles.

Staff has worked with Caldwell Country Chevrolet for the vehicles via BuyBoard (601-19) and CapFleet Outfitters for the up-fitting of the vehicles. Staff is requesting to lease/purchase ten (10) fully equipped marked patrol vehicles, two (2) Police admin vehicles, and one (1) K9 unit at an average cost of \$72,850 per vehicle (13 total vehicles). The equity value of the thirteen (13) vehicles we are returning to American National Leasing upon delivery of the new vehicles will be applied towards the lease payments of these vehicles. We budget annually for the lease payments for the vehicles. The approval of the actual lease-purchase agreement will be addressed in a future agenda item.

Staff recommends approval of the lease/purchase for 13 vehicles.