

It's real.

**MEMORANDUM**

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

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

**Subject:** 2021 Tax Notes

**Date:** November 9, 2021

Included in the FY22 budget, there were several large pieces of equipment that the City would be purchasing through lease financing. I have attached a list of those pieces of equipment. I reached out to Government Capital, who the City has financed equipment purchases through before, and our financial advisor, SAMCO Capital Markets for financing options. After reviewing the options, I am recommending we finance these pieces of equipment over five years with tax notes. They provide the most cost-efficient method of financing. I have attached a summary of the bids received. As with all the tax notes and bonds presented in the past by SAMCO, the interest rates that were quoted were conservative. SAMCO has sent the bids out to the different banks for the tax notes and these will be opened on Monday, November 15. Someone from SAMCO will be at the City Council meeting to present the bids and ask for approval to award the bids.

I will be available for questions prior to and during the meeting. Please let me know if you have any questions.

Item	Department	Purchase Cost
Grader	Public Works	\$172,290.65
Tandem Wheel Roller	Public Works	\$131,135.00
Toro Groundsmaster 3500 D Trim Mower	Golf	\$42,293.96
Toro Groundsmaster 3100 D Trim Mower	Golf	\$45,125.76
Toro Groundsmaster 3100 D Trim Mower	Golf	\$45,125.76
Toro Workman HDX	Golf	\$30,779.53
Toro Workman HDX - Sprayer model	Golf	\$42,263.53
Toro Sand Pro 5040 Bunker Rake	Golf	\$29,976.06
Toro Greensmaster 3150Q	Golf	48,310.12
Toro Greensmaster 3150Q	Golf	48,310.12
Kubota Tractor with Loader	Golf	38,302.06
Kubota tractor with backhoe	Golf	<u>19,554.96</u>
<b>Total</b>		<b>\$693,467.51</b>

**ANALYSIS OF FINANCING OPTIONS**  
**FY2022 GOLF AND PUBLIC WORKS EQUIPMENT**

<b>5 Year Option</b>					
<b>Company</b>	<b>% rate</b>	<b>Annual pymt</b>	<b>Total Cost</b>	<b>Add'l. costs</b>	<b>Total cost</b>
Tax Notes	1.35%	\$138,712.50-\$164,388.63	\$ 727,883.63	included	\$ 727,883.63
Government Capital	2.05%	\$ 146,345.12	\$ 731,725.60	included	\$ 731,725.60