



## AGENDA ITEM SUMMARY

### District Impacted

- ☐ 1 = Wolosin
- ☐ 2 = Woolard
- ☐ 3 = Vacant
- ☐ 4 = Cisneros
- ☐ 5 = Handren
- ☒ x All

<b>AGENDA DATE</b>	April 9, 2019						
<b>DESCRIPTION</b>	CONSIDER RESOLUTION NO. 2019-R27; A RESOLUTION AUTHORIZING THE CITY MANAGER TO ENTER INTO AND MANAGE A LEASE/PURCHASE AGREEMENT BETWEEN THE CITY OF BOERNE AND FROST BANK FOR EQUIPMENT. ( <i>Aerial bucket truck, dump truck, and breathing apparatus</i> )						
<b>STAFF'S RECOMMENDED ACTION (be specific)</b>	Approve Resolution No. 2019-R27; Authorizing the City Manager to enter into and manage a Lease/Purchase Agreement with Frost Bank for equipment.						
<b>CONTACT PERSON</b>	Sandy Mattick, Finance Director						
<b>SUMMARY</b>	<p>Council has previously approved the purchase of the following equipment:</p> <table> <tr> <td>Aerial bucket truck (Electric Dept.)</td><td>\$189,992</td></tr> <tr> <td>Dump truck (Parks Dept.)</td><td>\$ 66,957</td></tr> <tr> <td>Breathing Apparatus (Fire Dept.)</td><td>\$217,119</td></tr> </table> <p>These items were budgeted to be purchased using a lease/purchase with the first payment due in the current fiscal year.</p> <p>We have compared pricing on the lease / purchase between Frost Bank and Altec Capital. Frost quoted a rate of 3.26% and Altec quoted a rate of 5.3%. I also compared the cost of the lease / purchase with a short-term tax note. The lease / purchase resulted in a slightly lower cost over the term of the lease. The estimated rate on the tax note was lower but the issuance cost offset the lower rate and would not be recouped over the 3-year term.</p> <p>Frost Bank is our Depository Bank and we have obtained this type of financing through Frost Leasing previously. They have proven to be efficient and easy to work with.</p> <p>Staff is recommending we execute the lease/purchase with Frost Bank to finance the equipment listed above.</p>	Aerial bucket truck (Electric Dept.)	\$189,992	Dump truck (Parks Dept.)	\$ 66,957	Breathing Apparatus (Fire Dept.)	\$217,119
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Dump truck (Parks Dept.)	\$ 66,957						
Breathing Apparatus (Fire Dept.)	\$217,119						
<b>COST</b>	\$400 origination fee/ Interest over 3 years \$19,048.71						
<b>SOURCE OF FUNDS</b>	Budgeted funds in Electric Fund, Parks Fund and General Fund						

<b>ADDITIONAL INFORMATION</b>	
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This summary is not meant to be all inclusive. Supporting documentation is attached.