

**CITY OF WARRENSBURG**  
**FINANCE DEPARTMENT**

October 8, 2018

Honorable Mayor and  
Members of the City Council  
City of Warrensburg, Missouri

Dear Mayor and Council Members:

**SUBJECT:** An Ordinance Authorizing the City Manager and City Clerk to Execute a Municipal Lease-Purchase Agreement with U.S. Bancorp Government Leasing and Finance Inc. for the purchase of a 2018 Johnston Street Sweeper

**BACKGROUND:**

During the Fiscal Year 2019 budget process, Council instructed Staff to finance the purchase of a street sweeper for the Public Works department. The City can purchase the street sweeper through a state bid contract for the price of \$234,580, with the trade in of the currently owned sweeper.

City received quotes from Balboa Capital at 6.5%, Central Bank at 3.39%, and US Bank at 3.35%. The Lease will be structured as a tax-exempt municipal lease, and there are no fees associated with this offer including the establishment and use of an escrow account should one be required.

**ISSUE:**

To enter into a lease/ purchase agreement with U.S. Bancorp

**STRATEGIC PLAN:**

This item is consistent with Focus I: Investment in infrastructure

**FISCAL IMPACT:**

The fiscal impact of the Sweeper purchase is \$234,580 at 3.35% interest compounded annually.

**ECONOMIC BENEFITS/IMPACT:**

**RECOMMENDATION:**

Staff recommends approval of the Ordinance as submitted.

Sincerely,

Matthew Lue,  
Director of Finance

cc: City Manager  
Public Works Director

Attachments: A. Ordinance  
B. Lease/Purchase Quote  
C. Wm. Nobbe and Company, Inc. Quote Summary