



Agenda Item: 15.D
Date of Meeting: July 28, 2025
Department: Finance

STAFF REPORT

To: City Council
From: Ethan Aukee
Subject: **Sales Tax on Flock Camera System**
Prepared On: July 10, 2025

Background/History:

The City Council previously approved a not to exceed amount for prepayment of a five-year lease of a Flock Safety Camera System in the amount of \$187,500.00. The vendor did not charge sales tax on the leased equipment, and at the time, City staff did not detect this as an omission from the total liability associated with the purchase. After review, it has been determined that sales tax is owed in the amount of \$16,100.00. The agreement without tax totaled \$184,000.04, the addition of sales tax totals \$16,100.00, for a new not to exceed amount of \$200,100.04 (rounded up to the nearest dollar).

Analysis/Discussion:

City staff will be more vigilant in scrutinizing these types of transactions in the future.

Economic Impacts:

None.

Budget Impacts:

No adjustments are needed to the budget. This additional amount, if approved, would be accrued to FY 2024-25 and recorded as a prepaid expense. Once the equipment is installed, the lease will commence and will be subject to GASB 87. Being that the lease is fully prepaid, we will not make payments over the five years of the agreement, but subject to GASB 87, the full amount will be recorded as a right to use asset and amortized over the term of the lease agreement.

Legal Review:

City Attorney Pucci has reviewed this item and finds that it complies with the law.

Recommended Action:

City Council to approve the adjusted not to exceed amount on the prepayment of the five-year Flock Camera System from \$187,500.00 to \$200,101.00.

Approved By: Ethan Aukee 7/10/2025

Approved By: Robin Picken 7/10/2025

Approved By: Deston Dishion 7/22/25

Approved By: