



CITY OF KINGMAN COMMUNICATION TO COUNCIL

TO: Honorable Mayor and City Council

FROM: Wendy Sherer

MEETING DATE: January 6, 2026

AGENDA SUBJECT: Approval of Resolution No. 5593- the Lease-Purchase and Up-Fitting for Nine (9) Automobiles and Providing for Authorization to Enter into a Lease Purchase and Escrow Agreement with CN Financing, Inc.

SUMMARY:

This agenda item is requesting the approval to purchase nine (9) new automobiles, along with the costs for up-fitting. All of the vehicles and the up-fitting will be procured utilizing State Cooperative Purchasing Contracts #CTR059320 and #CTR070729 for the automobiles, and City of Chandler's Cooperative Contract PD5-055-4859 for the up-fitting.

The automobiles will be purchased through financing provided by CN Financing, Inc., which is also included in this agenda item for Council consideration and approval. The up-fitting costs will not be financed and will be paid using FY2025-26 adopted budget amounts.

The City of Kingman is currently utilizing three lease programs to replace its fleet: Lease Servicing Center, Inc. dba NCL Government Capital, Zions Bancorporation, and CN Financing, Inc. Based on the interest rate being offered by CN Financing, Inc., City staff is requesting that a lease purchase and escrow agreement be entered into with CN Financing, Inc. for the purchase of nine (9) automobiles from Midway Chevrolet and Larry H. Miller Toyota Peoria as follows:

Department	Vehicle Type		Vendor
Principal	Quantity	Total Financed	
Police Department	2026 Chevy Tahoe 4X4		Midway Chevrolet
\$60,164.26	7	\$421,149.82	
Police Department	2026 Toyota Highlander AWD		Larry H. Miller Toyota Peoria
\$55,235.62	1	\$55,235.62	
Police Department	2025 Toyota 4Runner 4X4		Larry H. Miller Toyota Peoria
\$65,928.87	1	\$65,928.87	

The costs for the seven (7) Chevy Tahoes will be financed at a rate of 3.97% over 7 years; the

debt service schedule results in seven annual in the amount of \$70,101.23. The costs for the two (2) Toyotas will be financed at a rate of 3.76% over 5 years; the debt service schedule results in five annual payments in the amount of \$27,032.28.

The total up-fitting costs for these automobiles (not included in the lease purchase financing) is \$239,028.32 to be purchased from Arizona Emergency Products.

These automobiles and up-fitting costs were approved in the FY2025-26 Adopted Budget and 5-Year Capital Improvement Plan.

FISCAL IMPACT:

The General Fund will be impacted from FY26 through FY33 by a total of \$864,898.33.

STAFF RECOMMENDATION:

Staff recommends Council approve the lease-purchase of seven (7) 2026 Chevy Tahoe 4X4s from Midway Chevrolet, one (1) 2026 Toyota Highlander AWD, and one (1) 2025 Toyota 4Runner 4X4 from Larry H. Miller Toyota Peoria along with the up-fitting costs for these vehicles to be purchased from Arizona Emergency Products. Staff also recommends Council approve Resolution No. 5593 authorizing a lease and escrow agreement be entered into with CN Financing, Inc. to finance the automobiles.

SUGGESTED MOTION:

Approve the lease-purchase of nine (9) new automobiles along with the up-fitting costs for these vehicles, and approve Resolution No. 5593 authorizing a lease and escrow agreement be entered into with CN Financing, Inc. to finance the automobiles.

ATTACHMENTS:

[Vehicle Quotes.pdf](#)

[Up-Fitting Quotes.pdf](#)

[CTR059320 Cooperative Contract.pdf](#)

[CTR070729 Cooperative Contract.pdf](#)

[PD5-055-4859 Cooperative Contract.pdf](#)

[Lease Agreement Docs.pdf](#)

[Resolution 5593 - Lease Purchase Agreement - CN Financing.pdf](#)