



**CITY COUNCIL  
COMMUNICATION:**

**ITEM \_\_\_\_\_**

**02-106**

**OFFICE OF THE CITY MANAGER  
CITY OF DES MOINES, IOWA**

**AGENDA:**

**SYNOPSIS -**

MARCH 4, 2002

Final approval and authorization of Supplement No. 5 of the Master Lease-Purchase program to acquire one power broom and two runway plow trucks to be used by the Des Moines International Airport.

**SUBJECT:**

MASTER LEASE-  
PURCHASE  
AGREEMENT FOR  
AIRPORT SNOW  
REMOVAL  
EQUIPMENT

**FISCAL IMPACT -**

The estimated cost for the equipment to be leased is \$806,457. However, there is no fiscal impact on the City's General Fund. All cost associated with this financing will be paid by the Airport Enterprise Fund.

**TYPE:**

**RECOMMENDATION -**

**RESOLUTION**  
ORDINANCE  
RECEIVE/FILE

**Approval.**

**SUBMITTED BY:**

**BACKGROUND -**

MERRILL R.  
STANLEY  
FINANCE  
DIRECTOR

On November 1, 1999, by Roll Call No. 99-3389 and 99-3425, City Council approved the selection of Banc (sic) of America Leasing & Capital, LLC (Hugh McColl Jr., Chairman and CEO, 317 6th Avenue, Des Moines), as the City's Master Lease-Purchase provider for a three-year term with two one-year renewal options. There have been four lease-purchase actions under the contract involving equipment purchased for the Airport and Stormwater Utility.

On September 5, 2001, by Resolution No. A01-274, the Airport Board recommended approval to Council for utilization of the Master Lease-Purchase program to acquire one power broom and two runway plow trucks to be used by the Des Moines International Airport.

On December 17, 2001, by Roll Call No. 01-3709, Council approved utilization of the Master Lease-Purchase program to acquire one power broom and two runway plow trucks to be used by the Des

### Moines International Airport.

The cost for each lease-purchase financing is determined based on an interest rate computed as a fixed percentage of the Treasury Note Index. The actual interest rate is set based on the lowest applicable U.S. Treasury security of like maturity as published in the Wall Street Journal at the close of business five business days before the date of the Supplement. As of February 25, 2002, the interest rate is 4.40 percent for a ten-year term.

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