

**CITY COUNCIL  
COMMUNICATION:**

**03-212**

**AGENDA:**

MAY 5, 2003

**SUBJECT:**

SECOND  
AMENDMENT TO THE  
LEASE-PURCHASE  
MASTER  
AGREEMENT

**TYPE:**

**RESOLUTION**  
ORDINANCE  
RECEIVE/FILE

**SUBMITTED BY:**

MERRILL R. STANLEY  
FINANCE DIRECTOR

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

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

**SYNOPSIS —**

Authorizing the Second Amendment to the Governmental Lease-Purchase Master Agreement to increase the authorized amount from \$6,000,000 to \$9,000,000.

**FISCAL IMPACT —**

Increasing the authorized amount has no fiscal impact on its own. The fiscal impact is determined when supplements to the Master Lease actually obligate the City to future lease payments. The supplements have generally been for the purchase of equipment for City enterprise operations that have no impact on the General Fund.

**RECOMMENDATION —**

**Approval.**

**BACKGROUND —**

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

The total cumulative amount for all lease-purchase supplements equals \$4,670,207.75. Supplements 11 and 12 are in process and will bring the cumulative amount to \$7,253,967. Additional lease-purchases from the Solid Waste Fund of \$523,000 and the Airport of \$1,030,000 are budgeted in the Fiscal Year (FY) 2003-04 budget. The current agreement with Banc of America allows up to \$6,000,000 in lease financings. The addition of planned financings will require an increase in the authorized amount to over \$8,800,000; therefore, we recommend that the authorized amount be increased to \$9,000,000.

