

**CITY COUNCIL
COMMUNICATION:**

03-289

AGENDA:

JUNE 23, 2003

SUBJECT:

SUPPLEMENT NO. 13
TO MASTER LEASE-
PURCHASE
AGREEMENT FOR
REFUSE TRUCKS

TYPE:

RESOLUTION
ORDINANCE
RECEIVE/FILE

SUBMITTED BY:

MERRILL R. STANLEY
FINANCE DIRECTOR

ITEM _____

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

SYNOPSIS —

Setting the date of public hearing as July 14, 2003, for Supplement No. 13 to the City's Master Lease-Purchase Agreement for the purchase of four automated refuse trucks to be used by the Public Works Department.

FISCAL IMPACT —

The estimated cost for the equipment to be leased is not to exceed \$550,000 plus interest; however, there is no fiscal impact on the City's General Fund. All costs associated with this financing will be paid by the City's Solid Waste Enterprise Fund. 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.

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, as the City's Master Lease-Purchase provider for a three-year term with two one-year renewal options. There have been 12 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 \$7,253,997.75.

Supplement 13 will be used to lease/purchase four automated refuse trucks which will enable the Solid Waste System to continue their efforts to automate the collection activities. Bids on the four trucks are to be received on June 26, 2003, at which time the exact price will be determined. We expect to hold the public hearing and ask the City Council to approve the lease/purchase at the July 14, 2003 City Council meeting.

**CITY COUNCIL
COMMUNICATION**

03-289
JUNE 23, 2003
PAGE TWO

<u>Supplement No.</u>	<u>Amount</u>	<u>Fund Source</u>
1	\$ 161,000.00	Stormwater
2	359,739.00	Airport
3	499,119.00	Airport
4	331,955.00	Airport
5	806,457.00	Airport
6	354,656.00	Solid Waste
7	81,268.75	Solid Waste
8	934,722.00	Solid Waste
9	805,345.00	Airport
10	335,946.00	Solid Waste
11	393,690.00	Solid Waste
12	<u>2,190,100.00</u>	Solid Waste
Total	<u>\$7,253,997.75</u>	

