



# Council Communication

Office of the City Manager

Date

July 24, 2006

Agenda Item No. 63  
Roll Call No. 06-  
Communication No. 06-453  
Submitted by: Allen McKinley, Finance  
Director

## AGENDA HEADING:

Public Hearing on Supplement B-6 to the City's Master Lease-Purchase Agreement for the purchase of eight hybrid vehicles for the Police Department.

## SYNOPSIS:

Recommend approval to lease-purchase eight hybrid vehicles for the Police Department.

## FISCAL IMPACT:

Amount: \$208,000 plus interest.

Funding Source: 2006-2007 Operating Budget under:

- Lease/Purchase Supp B1, FIN905200, page 204
- Federally Forfeited Funds, SP 321 POL982100, page 309

## ADDITIONAL INFORMATION:

Bids for the vehicles were received July 13, 2006 on bid V07-001. The bids are being analyzed and the Finance Department anticipates the maximum cost for the eight vehicles to be \$221,000. Once the bids are awarded and the exact purchase price is determined, a subsequent council action will be required to authorize execution and delivery of this Supplement for the bid amount not to exceed \$208,000. A portion of the acquisition cost will be funded with Police Forfeited Funds. 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 lease will be amortized over three years.

This is the fourth lease supplement to be issued under the 2004 Master Lease Agreement (MLA) with Banc of America Leasing and Capital, LLC. Sixteen lease supplements totaling \$8,559,015.22 were approved by the City Council under an earlier lease arrangement with Banc of America as a means to provide flexible, affordable financing for City equipment. Supplement B1, of the 2004 MLA was approved for \$686,097. Supplement B2 was started for the Airport, but staff chose to make the purchase with cash instead. Supplement B3 was approved for \$400,000. Supplement B4 was approved for \$692,978.41. Supplement B5 was started for Community Development and Police, but Community Development has not yet determined which product solution will work, and the Police equipment was purchased with cash instead.

**PREVIOUS COUNCIL ACTION(S):**

Date: October 25, 2004

Roll Call Number: 04-2279

Action: Master Lease-Purchase Agreement Form and Provider to Banc of America Leasing & Capital, LLC. ([Council Communication No. 04-530](#)) Moved by Hensley to approve. Motion Carried 7-0.

Date: July 10, 2006

Roll Call Number: 06-1335

Action: Setting date of hearing [on](#) Supplement No. B-6 to the Governmental Lease-Purchase Master Agreement with Banc of America Leasing & Capital, LLC, for the lease-purchase of eight hybrid vehicles for the Police Department, not to exceed \$208,000, (7-24-06). Moved by Hensley to adopt. Motion Carried 7-0.

**BOARD/COMMISSION ACTION(S): NONE**

Date:

Roll Call Number:

Action:

**ANTICIPATED ACTIONS AND FUTURE COMMITMENTS:**

- Award of lowest compliant bid for eight hybrid vehicles
- Execution and delivery of Supplement B6