



Council Communication

Office of the City Manager

Date

July 28, 2008

Agenda Item No. 47
Roll Call No. 08-
Communication No. 08-431
Submitted by: Allen McKinley, Finance
Director

AGENDA HEADING:

Resolution With Respect To Public Hearing for Supplement C-2 to the City's Master Lease-Purchase Agreement for the purchase of various vehicles and equipment for the Public Works Department.

SYNOPSIS:

Recommend approval of lease-purchasing five recycling trucks and 40,000 recycling containers for the Public Works Department. Council will approve the acquisition of the recycling trucks at a subsequent council meeting(s). This action initiates the financing process to align with the anticipated acquisition approvals.

FISCAL IMPACT:

Amount: Not to exceed \$3,025,000 plus interest.

Funding Source: 2008-2009 Operating Budget under:

- EN151 PWK100119 Curbside Recycling (page298)

ADDITIONAL INFORMATION:

The equipment to be purchased via the master lease agreement is to move to an automated recycling system. To increase the amount of material recycled, the Public Works Department is recommending an automated single-stream recycling program. The convenience of wheeled containers is expected to lead to increased quantities and automated collection is expected to reduce overall program costs over time.

Twenty-two lease supplements totaling \$11,558,650.09 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. Under the current lease arrangement with DeLage Landen LLC, one lease supplement has been approved and executed by the City Council totaling \$750,000.

PREVIOUS COUNCIL ACTION(S):

Date: July 14, 2008

Roll Call Number: 08-1198

Action: On Supplement No. C-2 to the Governmental Lease-Purchase Master Agreement with DeLage Landen Public Finance LLC, to acquire 5 recycling trucks and 40,000 recycling bins, not to exceed \$3,025,000, (7-28-08). (Council Communication No. 08-398) Moved by Mahaffey to adopt. Motion Carried 6-1. Nays: Coleman.

Date: May 5, 2008

Roll Call Number: 08-794

Action: Master Lease-Purchase Agreement with De Lage Landen Public Finance LLC. (Council Communication No. 08-242) Moved by Vlassis to approve. Motion Carried 6-1.

BOARD/COMMISSION ACTION(S): NONE

ANTICIPATED ACTIONS AND FUTURE COMMITMENTS:

Hearing and approval of Master Lease Supplement C-2 and award of bids for recycling trucks

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