

 <p style="text-align: center;"><b>Council Communication</b> Office of the City Manager</p>	<b>Date:</b> July 23, 2012
	<b>Agenda Item No.</b> 27 <b>Roll Call No.</b> <u>12-1170</u> <b>Communication No.</b> <u>12-403</u> <b>Submitted by:</b> Scott E. Sanders, <b>Finance Director</b>

**AGENDA HEADING:**

Authorizing execution and delivery of a Supplement No. 3, in the principal amount of \$1,880,000 to the governmental lease-purchase master agreement between the City of Des Moines and Wells Fargo Bank, N.A.

**SYNOPSIS:**

Council previously approved the acquisition of nine (9) dump trucks, an asphalt paver, and a compact motor grader and also held a public hearing on the financing of the acquisitions through a lease purchase arrangement. This action will complete the process to finance the acquisitions as Supplement No. 3 through the master lease agreement approved in July of 2011, with Wells Fargo Bank, N.A.

**FISCAL IMPACT:**

Amount: \$1,880,000, plus interest over ten years

Funding Source: DS001 FIN900100 Debt Service Administration

**ADDITIONAL INFORMATION:**

The City utilizes the lease-purchase program from time to time to finance vehicles and equipment as a means to avoid large one-time cash expenditures. Recently, the City utilized the master lease agreement to purchase vactor trucks for the Sanitary Sewer Enterprise. These replacement trucks, asphalt paver, and compact motor grader represent the large vehicle needs for the next 18 months with the next group of lease-purchased trucks expected early in 2014. Smaller vehicles will be purchased on a pay-as-you-go basis with available budgeted cash.

In April 2012, a public hearing was held to consider lease purchase of the above equipment. The lease purchase arrangement is consistent with the planned financing of the equipment acquisition. Supplement No. 3 is related to vehicles and rolling stock to be used by Public Works.

**PREVIOUS COUNCIL ACTION(S):**

Date: May 7, 2012

Roll Call Number: [12-0720](#)

Action: [Henderson](#) Truck Equipment (Marty Ward, President) for replacement snow and ice control equipment and additional wing snow plows and related accessories (truck equipment) to be installed on thirteen (13) replacement heavy-duty trucks for City-wide for use by the Public Works Department, \$610,269. (Four bids mailed, four received). ([Council Communication No. 12-216](#)). Moved by Hensley to adopt. Motion Carried 7-0.

Date: May 7, 2012

Roll Call Number: [12-0723](#)

Action: [Murphy](#) Tractor & Equipment Co. (Rick Yeager, President) for one replacement asphalt paver per Nations Joint Powers Alliance (NJPA) Contract for use by the Public Works Department. ([Council Communication No. 12-224](#)). Moved by Hensley to adopt. Motion Carried 7-0.

Date: May 7, 2012

Roll Call Number: [12-0724](#)

Action: [O'Halloran](#) International (Jim O'Halloran, President) for thirteen (13) replacement heavy-duty trucks for use by the Public Works Department, \$1,285,949. (Six bids mailed, five received). ([Council Communication No. 12-226](#)). Moved by Hensley to adopt. Motion Carried 7-0.

Date: April 23, 2012

Roll Call Number: [12-0642](#)

Action: [On](#) proposed Lease-Purchase Agreement to acquire certain items of equipment consisting of nine dump trucks, an asphalt paver, and a compact motor control, not to exceed \$2,000,000. ([Council Communication No. 12-189](#)). Moved by Hensley to adopt. Motion Carried 7-0.

Date: April 9, 2012

Roll Call Number: [12-0523](#)

Action: [On](#) proposed Lease-Purchase Agreement to acquire certain items of equipment consisting of nine dump trucks, an asphalt paver, and a compact motor control, not to exceed \$2,000,000, (4-23-12). ([Council Communication No. 12-177](#)). Moved by Hensley to adopt. Motion Carried 7-0.

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

**ANTICIPATED ACTIONS AND FUTURE COMMITMENTS: NONE**

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