

 <p style="text-align: center;">Council Communication Office of the City Manager</p>	Date: May 19, 2014
	Agenda Item No. 42 Roll Call No. <u>14-0800</u> Communication No. <u>14-240</u> Submitted by: Scott E. Sanders, Assistant City Manager / Finance Director

AGENDA HEADING:

Hold public hearing on a municipal lease for the purchase of five (5) tandem-axle dump trucks, one (1) single-axle crew cab dump truck, one (1) truck with aerial platform lift, one (1) tandem-axle semi-tractor, and one (1) rubber-tired loader for Public Works and Engineering Departmental use.

SYNOPSIS:

A public hearing is being held on the lease-purchase of five (5) tandem-axle dump trucks, one (1) single-axle crew cab dump truck, one (1) truck with aerial platform lift, one (1) tandem-axle semi-tractor, and one (1) rubber-tired loader for the Public Works and Engineering Departments.

FISCAL IMPACT:

Amount: Not to exceed \$1.2 million, plus interest.

Funding Source: Fiscal Year (FY) 2015 Operating Budget, Debt Service Fund, ND400, page 91

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. Most recently, the City utilized the master lease agreement to purchase nine (9) dump trucks, an asphalt paver, and a compact motor grader for use by the Public Works Department. These current replacement trucks represent the large vehicle needs for the next 12 months with the next group of lease-purchased trucks expected early in 2015. Smaller vehicles will be purchased on a pay-as-you-go basis with available budgeted cash.

PREVIOUS COUNCIL ACTION(S):

Date: May 5, 2014

Roll Call Number: [14-0694](#)

Action: [On](#) Lease-Purchase Agreement for acquiring certain items or equipment consisting of five tandem-axle dump trucks, one single-axle crew cab dump truck, one GVW truck with aerial platform lift, one tandem-axle semi-tractor and one rubber-tired loader, not to exceed \$1,200,000, (5-19-14). ([Council Communication No. 14-218](#)) Moved by Hensley to adopt. Motion Carried 7-0.

Date: July 23, 2012

Roll Call Number: [12-1170](#)

Action: [Authorizing](#) execution and delivery of Supplement No. 3 in the principal amount of \$1,880,000 to the Government Lease-Purchase Master Agreement with Wells Fargo Bank, N.A. ([Council Communication No. 12-403](#)) Moved by Hensley to adopt. Motion Carried 7-0.

BOARD/COMMISSION ACTION(S): NONE

ANTICIPATED ACTIONS AND FUTURE COMMITMENTS:

Late June or early July, approve lease supplemental agreement with financing terms for consideration of lease-purchase of the nine (9) trucks and accept bids for the same over the next two (2) months.

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