

 <p style="text-align: center;">Council Communication Office of the City Manager</p>	Date: June 23, 2014
	Agenda Item No. 32 Roll Call No. <u>14-0660</u> Communication No. <u>14-293</u> Submitted by: Scott E. Sanders, Assistant City Manager / Finance Director

AGENDA HEADING:

Authorizing execution and delivery of a Supplement No. 4, in the principal amount of \$1,200,000 to the governmental lease-purchase master agreement between the City of Des Moines and Wells Fargo Bank, N.A.

SYNOPSIS:

Council recently held a public hearing on the financing of the acquisition through a municipal lease purchase agreement for 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. This action will complete the process to finance the acquisitions as Supplement No. 4 through the master lease agreement approved in July of 2011, with Wells Fargo Bank, N.A.

FISCAL IMPACT:

Amount: \$1,200,000, plus interest over 10 years

Funding Source: ND400563 Debt Service FY14 Lease 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. Recently, the City utilized the master lease agreement to purchase dump trucks, an asphalt paver, and a compact motor grader. These replacement trucks, semi-tractor, and loader 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.

In May 2014, 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. 4 is related to vehicles and rolling stock to be used by Public Works and Engineering.

PREVIOUS COUNCIL ACTION(S):

Date: May 19, 2014

Roll Call Number: [14-0800](#)

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. ([Council Communication No. 14-240](#)) Moved by Moore to adopt. Motion Carried 7-0.

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: NONE

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