

January 28, 2008
Date

RESOLUTION WITH RESPECT TO PUBLIC HEARING
ON THE AUTHORIZATION OF A SUPPLEMENT NO. C1
TO THE GOVERNMENTAL LEASE-PURCHASE
MASTER AGREEMENT BETWEEN THE CITY OF DES
MOINES AND BANC OF AMERICA PUBLIC CAPITAL
CORP., IN THE PRINCIPAL AMOUNT OF NOT TO
EXCEED \$750,000

WHEREAS, pursuant to Sections 364.4 and 384.25 of the City Code of Iowa, notice of the hearing on the authorization of a Supplement No. C1 to the Governmental Lease-Purchase Master Agreement between the City of Des Moines and Banc of America Public Capital Corp. ("Master Lease"), in the principal amount of not to exceed \$750,000 (the "Supplement"), and the proposed action by the City Council to institute proceedings for the issuance of said Supplement has been given for the purpose of paying costs of acquiring vehicles and equipment for the Public Works Department, including two (2) 2WD one ton utility body trucks, three (3) tandem axle dump trucks with snow and ice control equipment and one (1) single axle truck with vacuum street sweeper;

WHEREAS, the public meeting and hearing has been duly held at the time and place provided and in accordance with said notice, and oral or written objections were received and filed, including the following:

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE
CITY OF DES MOINES, IOWA:

★ Roll Call Number

Agenda Item Number

56

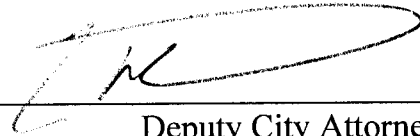
.....
January 28, 2008

Date

That the time for receiving oral and written objections be closed and the proposal for the authorization and issuance of the foregoing Supplement and all objections thereto are taken under consideration by the Council.

Moved by: _____ to adopt.

Form approved:



Deputy City Attorney

DCORNELL/ 564607.1 /MSWord\10387155

COUNCIL ACTION	YEAS	NAYS	PASS	ABSENT
COWNIE				
COLEMAN				
HENSLEY				
KIERNAN				
MAHAFFEY				
MEYER				
VLASSIS				
TOTAL				

MOTION CARRIED APPROVED


Mayor

CERTIFICATE

I, DIANE RAUH, City Clerk of said City hereby certify that at a meeting of the City Council of said City of Des Moines, held on the above date, among other proceedings the above was adopted.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my seal the day and year first above written.

City Clerk

 Council Communication Office of the City Manager	Date	January 7, 2008
	Agenda Item No. 24 Roll Call No. 08- Communication No. 08-005 Submitted by: Allen McKinley, Finance Director	

AGENDA HEADING:

Setting Date of Hearing for Supplement C-1 to the City's Master Lease-Purchase Agreement for the purchase of various vehicles and equipment for the Public Works Department.

SYNOPSIS:

Recommend approval to schedule a public hearing for January 28, 2008, to consider lease-purchasing six trucks with attachments for the Public Works Department. Council will be asked to approve the acquisition of the vehicles 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 \$750,000 plus interest.

Funding Source: Fiscal Year 2007-08 Operating Budget, Finance Department – Debt Service Funds, Debt Service Administration, FIN900100, page 155.

ADDITIONAL INFORMATION:

Each year the City replaces a variety of equipment and vehicles that have exceeded their useful lives. In previous years, approximately 30 police units were replaced annually using a lease-purchase funding mechanism while various public works units were replaced out of the equipment replacement fund on a pay-as-you-go basis. This year the police units will be purchased on a pay-as-you-go basis and six Public Works units are recommended for replacement via the lease-purchase arrangement. The useful life of the Public Works equipment is over 10 years and the lease supplement term will be for a period of 7 years. The change in vehicle types to be included in the lease-purchase program is intended to reduce the administrative burden associated with financing the larger number of Police vehicles.

Equipment items to be acquired under the lease-purchase arrangement are:

- 2 - Two-wheel drive – 1-Ton Utility Body Trucks
- 3 - Tandem Axle Dump Trucks with Snow and Ice Control Equipment
- 1 - Single Axle Truck with Vacuum Street Sweeper

More detailed information will be provided on each vehicle to be lease-purchased, including environmental considerations, prior to purchase.

Sixteen lease supplements totaling \$8,589,019.33 were approved by the City Council under an earlier lease arrangement with Banc of America. The lease-purchase method provides flexible, affordable financing for City equipment. Under the current lease arrangement five lease supplements have been approved and executed by the City Council totaling \$2,969,630.76.

PREVIOUS COUNCIL ACTION(S):

Date: October 25, 2004

Roll Call Number: 04-2279

Action: Approved Master Lease-Purchase Agreement with Banc of America Leasing & Capital, LLC.

BOARD/COMMISSION ACTION(S): NONE

ANTICIPATED ACTIONS AND FUTURE COMMITMENTS:

Hearing and approval of Master Lease Supplement C-1
Award of bids for various Public Works equipment and vehicles