



Roll Call Number

23-0182

Agenda Item Number

44

Date February 6, 2023

**HEARING AND RESOLUTION TAKING ACTION ON THE PROPOSITION TO
AUTHORIZE AND ENTER LEASE PURCHASE AGREEMENTS IN THE TOTAL
PRINCIPAL AMOUNT NOT-TO-EXCEED \$900,000 FOR THE PURPOSE OF
ACQUIRING CERTAIN ITEMS OF EQUIPMENT CONSISTING OF UP TO FOURTEEN
VEHICLES**

WHEREAS, the City has had multiple vehicle purchase orders cancelled due to the present market for purchasing vehicles; and,

WHEREAS, the cancelled purchase orders are for vehicles necessary for the City's operations; and,

WHEREAS, the City may be able to obtain these vehicles using short-term lease purchase agreements; and,

WHEREAS, it is deemed necessary and advisable that the City of Des Moines, Iowa shall enter into a Master Equipment Lease Agreement with Texas Capital Bank, N.A. in the principal amount of not to exceed \$900,000 (the "Agreements" or "Lease Purchase Agreements") as authorized by Iowa Code Sections 364.4 and 384.25 for the purpose of providing funds to pay costs of acquiring the equipment as hereinafter described; and,

WHEREAS, the term of the proposed Agreements will not exceed the economic life of the property to be acquired; and,

WHEREAS, the proposed Agreements shall be payable solely out of the City's general fund and will not cause the total annual lease or lease-purchase payments due from the general fund in any single future fiscal year for all lease or lease-purchase contracts currently enforced to exceed ten percent of the last certified general fund budget amount; and,

WHEREAS, the Agreements shall be in the form of the proposed Agreements on file in the Office of the City Clerk, subject to approval by the Legal Department, which provide that the City shall pay less than 24 monthly payments of principal and accrued interest with an option for the City to purchase the vehicle for the remaining unpaid principal amount; and,

WHEREAS, it is in the best interests of the City to acquire the vehicles for use in conjunction with City operations; and,

WHEREAS, before the proposed Agreement may be authorized, it is necessary to comply with the provisions of Iowa Code Sections 364.4 and 384.25 and to publish notice of the proposal and of the time and place of the hearing at which the City Council proposes to take action for the



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authorization of the Agreement and to receive oral and/or written objections from any resident or property owner of the City to such action.

WHEREAS, on January 23, 2023, by Roll Call 23-0101, the City Council resolved that the proposition to authorize and enter into the Agreement be set down for hearing on February 6, 2023, at 5:00 p.m. in the Council Chambers at City Hall; and,

WHEREAS, due notice of said proposal and the time and place of said hearing was published in the Des Moines Register on January 26, 2023, as provided by law.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Des Moines, Iowa:

1. The public meeting and hearing on the City's proposition to authorize and enter into a Lease Purchase Agreement with Texas Capital Bank, N.A. in an amount not to exceed \$900,000 for the purpose of acquiring certain items of equipment consisting of:
 - a. One mid-sized sedan for use in criminal investigations operations;
 - b. Two compact SUVs for use in criminal investigations operations;
 - c. Two mini cargo vans for use in building maintenance;
 - d. Three one-ton cab/chassis pickup trucks for use in sewer maintenance and repair, park maintenance, and forestry tree trimming and removal; and,
 - e. Six two-ton cab/chassis pickup trucks for use in sewer maintenance and repair operations.
2. That the time for receiving oral and written objections from any resident or property owner of the City and the hearing be closed and the proposition to authorize and enter into the Lease Purchase Agreement with Lease Servicing Center, Inc. and all objections thereto are taken into consideration by the City Council.
3. The City hereby takes action to authorize, approve and enter into Lease Purchase Agreements with Texas Capital Bank, N.A. and any other entity from D&M Leasing pursuant to Master Lease Agreement #001709 dated March 10, 2021, and all incorporated and ancillary documents for the Lease and the City Manager is hereby authorized and directed to sign any documents necessary to complete this transaction.
4. The City Manager or his designee, subject to approval as to form by the Legal Department, is hereby authorized and directed to enter into Lease Purchase Agreements and to administer the terms of the Agreements and purchase the vehicles at the end of the lease term as he determines in the best interests of the City and the Finance Director



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is authorized and directed to make all rental payments and, if applicable, the option purchase payment in accordance with the terms of the Lease Purchase Agreement.

(Council Communication No. 23-051)

Moved by Gatto to adopt. Second by Boesen.

FORM APPROVED:

Thomas G. Fisher Jr.

Thomas G. Fisher Jr.
Deputy City Attorney

Table with 5 columns: COUNCIL ACTION, YEAS, NAYS, PASS, ABSENT. Rows include COWNIE, BOESEN, GATTO, MANDELBAUM, SHEUMAKER, VOSS, WESTERGAARD, and TOTAL.

CERTIFICATE

I, LAURA BAUMGARTNER, 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.

J. M. Franklin Cownie Mayor

Laura Baumgartner City Clerk