

ORDINANCE NO. 126, 2013
 OF THE COUNCIL OF THE CITY OF FORT COLLINS
 AUTHORIZING THE PURCHASING AGENT TO ENTER
 INTO AN AGREEMENT FOR THE FINANCING BY
 LEASE-PURCHASE OF VEHICLES AND EQUIPMENT

WHEREAS, the City has a need for and desires to provide certain real and personal property for City purposes; and

WHEREAS, the City is authorized by the Colorado Constitution, Article XX, §6, its home charter and Part 8 of Article 15 of Title 31, Colorado Revised Statutes, as amended (the “Act”), to enter into rental or leasehold agreements in order to provide necessary land, buildings, equipment and other property for governmental or proprietary purposes, and such agreements may include options to purchase and acquire title to such leased or rented property; and

WHEREAS, the City has received a lease-purchase proposal from Pinnacle Public Finance to lease equipment to the City, consisting of the following vehicles and equipment (the “Equipment”):

Streets		
2011 Power Screen Chieftain 1400	1	79,200.00
7.6 yard Spreader and Tanks	1	45,609.00
Single Axle CNG Truck	1	130,000.00
6.6 yard Spreader and Tanks	1	50,099.00
Replacement Spreaders	3	56,199.00
Replacement Snow Plows	3	58,395.00
Transportation Fund Total:		419,502.00
Forestry		
Variable Message Board	1	7,000.00
Forestry Equipment Total:		7,000.00
Patrol - New Officer Vehicles		
Dodge Journey	1	20,410.00
Dodge Charger	1	23,902.00
Ford Police Interceptor FWD	1	26,263.00
Ford Police Interceptor FWD	1	25,603.00
Police Vehicle equipment	1 lot	27,275.00
Patrol New Officer Vehicle Total:		123,453.00
Investigations - New Officer Vehicle		
Chevy Silverado 1500 4x4	1	28,318.00
Investigation New Officer Vehicle Total:		28,318.00
General Fund Total:		158,771.00
Information Technology		
Dell Latitude E6430 Notebook	50	56,707.00

Docks – Latitude	50	7,500.00
Optiplex 7010 Desktop	200	179,476.00
Precision T3600	30	38,091.00
Logitech Keyboards	280	3,092.00
Panasonic C-53 Toughbooks	30	48,748.00
Data & Communications Fund Total:		333,614.00
Lease Total:		911,887.00

and;

WHEREAS, the City Council has determined that it is in the best interests of the City to lease the above-described vehicles and equipment from Pinnacle Public Finance, which is also providing financing for the Equipment acquisition; and

WHEREAS, the City desires to enter into a lease-purchase agreement with respect to the leasing and financing of the Equipment; and

WHEREAS, the useful life of the Equipment is longer than the maximum lease-purchase term of five years; and

WHEREAS, the City has determined that the lease payments to result from the proposed arrangement will require payments by the City in the sum of \$48,372.28 per quarter, and that payments in that amount are reasonable and proper and represent the fair rental value of the Equipment; and

WHEREAS, funds for the 2014 lease payments are included in the 2014 budget; and

WHEREAS, the lease of the Equipment will not constitute a “multiple-fiscal year direct or indirect debt or other financial obligation” of the City within the meaning of Article X §20(4)(b) of the Colorado Constitution and may therefore be entered into without voter approval; and

WHEREAS, Article V, Section 9, of the City Charter permits the Council to make supplemental appropriations by ordinance at any time during the fiscal year, provided that the total amount of such supplemental appropriations, in combination with previous appropriations for that fiscal year, does not exceed the then current estimate of actual and anticipated revenues to be received during the fiscal year.

NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF FORT COLLINS as follows:

Section 1. That the Purchasing Agent is hereby authorized to enter into a lease-purchase agreement for the above-described Equipment with Pinnacle Public Finance in accordance with the following terms and provisions:

- a. The agreement shall be for an original term from the execution date of the agreement through and including December 31, 2014. The agreement shall provide for renewable one-year terms thereafter up to a total term of five years, subject to annual appropriation of funds needed for lease payments. The total lease terms, including the original and all renewal terms, shall not exceed the useful life of the property.
- b. The City shall make equal quarterly payments throughout the term of such agreement but subject to annual appropriation of funds needed for such payments.
- c. If the City leases the Equipment for the original term and all renewal terms, the payment to Pinnacle Public Finance will total the sum of the principal not to exceed \$911,887.00, plus interest at a fixed rate equal to 2.28% per year, which is a reasonable amount.
- d. The City shall have the option to purchase part or all of the Equipment on the date of any scheduled quarterly payment during any term. The option to purchase shall be exercised by paying the quarterly payment due on said date and any remaining unpaid principal due after said date as to any or all of the Equipment.
- e. If the City renews the agreement for all renewal terms and makes all payments during said terms, the City shall be deemed to have exercised the option to purchase said Equipment.
- f. The agreement shall constitute only a current expense of the City and shall not be construed to be a debt or pledge of the City's credit or revenues.

Section 2. That the amount of Four Hundred Nineteen Thousand, Five Hundred and Two Dollars (\$419,502) to be provided under the lease-purchase agreement is hereby appropriated for expenditure in the Transportation Fund from unanticipated revenue in the appropriate funds for the acquisition of vehicles and equipment in accordance with the terms and provisions of the lease-purchase agreement, upon receipt thereof.

Section 3. That the amount of One Hundred Fifty-Eight Thousand, Seven Hundred and Seventy-One Dollars (\$158,771) to be provided under the lease-purchase agreement is hereby appropriated for expenditure in the General Fund from unanticipated revenue in the appropriate funds for the acquisition of equipment in accordance with the terms and provisions of the lease-purchase agreement, upon receipt thereof.

Section 4. That the amount of Three Hundred Thirty-Three Thousand, Six Hundred and Fourteen Dollars (\$333,614) to be provided under the lease-purchase agreement is hereby appropriated for expenditure in the Data & Communications Fund from unanticipated revenue in

the appropriate funds for the acquisition of equipment in accordance with the terms and provisions of the lease-purchase agreement, upon receipt thereof.

Section 5. Any inconsistency between the provisions of this Ordinance and those of the Act is intended by the City Council. To the extent of any such inconsistency the provisions of this Ordinance shall be deemed made pursuant to the home rule charter of the City and shall supersede, to the extent permitted by law, the conflicting provisions of the Act.

Introduced, considered favorably on first reading, and ordered published this 17th day of September, A.D. 2013, and to be presented for final passage on the 1st day of October, A.D. 2013.

Mayor

ATTEST:

City Clerk

Passed and adopted on final reading this 1st day of October, A.D. 2013.

Mayor

ATTEST:

City Clerk