

City Council Action Report

To: The Mayor and Members of the City Council
From: Brent Worthington, Director of Finance
Subject: 2006 Master Lease Replacement Program for Fleet
Date: January 26, 2006

Recommended Action

Authorize the continuation of the Master Lease Agreement with Key Bank for the acquisition of vehicles under the Fleet Replacement Program started in 2002.

Authorize the City Manager to obtain vehicles and equipment through the approved master lease/purchase agreement and to issue purchase orders not to exceed the total approved in the 2006 budget of \$1,255,694.

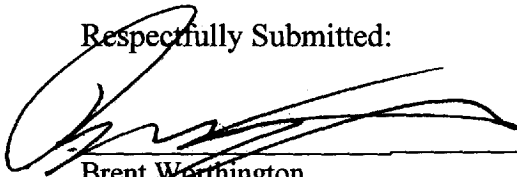
Background and Other Information:

- In 2002, City Council approved the use of a Master lease Agreement for the ongoing replacement of the City's fleet. This Master Lease allows the City to replace heavily used vehicles every 3 to 5 years, thereby increasing the efficiency of the fleet and reducing maintenance and repair expenses.
- In 2003, City Council approved the execution of a new Master Lease with Key Bank to replace and refund the prior lease with Koch Financial and to fund ongoing fleet equipment acquisition.
- The 2006 Budget (approved by City Council on November 10, 2005) included amounts sufficient to pay all lease payments for the year.
- This requested action meets Council's Goal Number Two: Fiscally Responsible City Government.

Budget Information:

- Funds are included in the 2006 budget to make the lease payments on the 2002 refunded lease, the 2003 lease, the 2004 lease, the 2005 lease and the proposed 2006 lease.
- The documents have a non-appropriation clause to comply with lease law for Colorado local government and TABOR.

Respectfully Submitted:


Brent Worthington
Finance Director

Approved for Submittal:


Phil Nelson City Manager
City Manager

COUNCIL ACTION TAKEN: _____