

Submitted by: Chair of the Assembly at the  
Request of the Mayor  
Prepared by: Purchasing Department  
For reading: March 8, 2005

CITY CLERK'S OFFICE  
APPROVED

Date: 3-29-05 ANCHORAGE, ALASKA  
No. AO 2005-41

AN ORDINANCE AUTHORIZING A CAPITAL LEASE/PURCHASE AGREEMENT TO ACQUIRE AN EMERGENCY RESPONSE FIRE APPARATUS FOR THE ANCHORAGE FIRE DEPARTMENT, CHUGIAK FIRE SERVICE AREA.

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WHEREAS, the Chugiak Volunteer Fire Department, as the service provider of the Chugiak Fire Service Area through the Anchorage Fire Department, has identified the need to acquire a new emergency response fire apparatus; and

WHEREAS, the Assembly, through passage of Assembly Resolution No. AR 2004-134, dated June 8, 2004, approved sufficient appropriations for the capital lease/purchase of said fire apparatus, contingent upon obtaining third party financing; and

WHEREAS, the Municipal Purchasing Department, in accordance with Anchorage Municipal Code title 7, secured competitive bids for the lease/purchase financing of fire apparatus; and

WHEREAS, in accordance with Anchorage Municipal Charter, Article X, Section 10.02(3), (Authorize Borrowing of Money) the financing requires Assembly authorization; now therefore,

THE ANCHORAGE ASSEMBLY ORDAINS:

**Section 1:** The Municipality of Anchorage is authorized to prepare and execute such financial documents as necessary to effect the lease/purchase finance agreement for the acquisition of a new emergency response fire apparatus for use within the Chugiak Fire Service Area; and

**Section 2:** The award and execution of the finance agreement shall be issued to the lowest responsive and responsible bidder, Municipal Services Group, Inc., in accordance with Anchorage Municipal Code title 7; and

**Section 3:** The essential terms of the financing agreement shall be:

Term:	Five (5) years
Payments:	20 quarterly payments of \$19,098.88
Effective Annual Interest Rate:	3.39%
Principal Amount:	\$350,000.00
Interest Amount:	\$ 31,977.60

1 **Section 4:** The funding for annual payments under the lease/purchase agreement shall be  
2 subject to, and in accordance with, annual appropriations of the Anchorage Municipal Assembly;  
3 and  
4

5 **Section 5:** The funding for the lease/purchase financing agreement is certified as follows:  
6

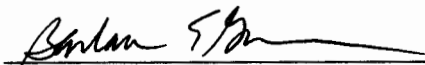
7	104-3540-4105-2005-354000	\$48,809.22
8	104-3540-4106-2005-354000	8,487.42
9	(2005 Chugiak Fire SA Operating)	
10	104-3540-4105-xxxx-354000	301,190.78
11	104-3540-4106-xxxx-354000	23,490.18
12	(2006-2010 Chugiak Fire SA Operating, Subject to Annual Appropriations)	
13		

14 **Section 6:** This ordinance shall take effect immediately upon passage and approval.  
15

16 PASSED AND APPROVED by the Anchorage Municipal Assembly this 29<sup>th</sup> day of  
17 March, 2005.  
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20  
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22   
Chair

23 ATTEST:

24  
25   
26  
27 Municipal Clerk

**MUNICIPALITY OF ANCHORAGE**  
**Summary of Economic Effects -- General Government**

AO Number: 2005- 41

Title: An Ordinance Authorizing a Capital Lease/Purchase Agreement to Acquire an Emergency Response Fire Apparatus for the Anchorage Fire Department, Chugiak Fire Service Area.

Sponsor: Anchorage Fire Department

Preparing Agency: Purchasing Department

Others Impacted:

<b>CHANGES IN EXPENDITURES AND REVENUES:</b>	<b>(In Thousands of Dollars)</b>					
	<b>FY05</b>	<b>FY06</b>	<b>FY07</b>	<b>FY08</b>	<b>FY09</b>	<b>FY10</b>
<b>Operating Expenditures</b>						
1000 Personal Services						
2000 Non-Labor						
3900 Contributions						
4000 Debt Service	57.3	76.4	76.4	76.4	76.4	19.1
<b>TOTAL DIRECT COSTS:</b>	<b>\$ 57.3</b>	<b>\$ 76.4</b>	<b>\$ 76.4</b>	<b>\$ 76.4</b>	<b>\$ 76.4</b>	<b>\$ 19.1</b>
Add: 6000 Charges from Others						
Less: 7000 Charges to Others						
<b>FUNCTION COST:</b>	<b>\$ 57.3</b>	<b>\$ 76.4</b>	<b>\$ 76.4</b>	<b>\$ 76.4</b>	<b>\$ 76.4</b>	<b>\$ 19.1</b>
<b>REVENUES:</b>						
<b>CAPITAL:</b>						
<b>POSITIONS: FT/PT and Temp</b>						

**PUBLIC SECTOR ECONOMIC EFFECTS:**

The economic effect of this ordinance will authorize the purchase of one (1) 4x4 Triple Combination Pumper from KME Fire c/o Oregon Fire Equipment Company in the total amount of \$399,650.50. The unit award was made by way of a corresponding change order to Vendor Contract 23AFD166 through approval of Assembly Memorandum No. AM 638-2004. This equipment acquisition is being secured through a capital lease/purchase financing agreement (through Municipal Services Group, Inc.) in the principal amount of \$350,000.00 at 3.39% interest over a five (5) year term with the balance of \$49,650.50 being paid from existing capital appropriations. The total interest payable of the five (5) year term is \$31,977.60, and the corresponding principal of \$350,000.00, is subject to annual appropriations by the Anchorage Assembly. The leasing firm will hold a security interest in the fire apparatus until such time that all payments have been made, with title passing to the Municipality upon final payment.

**PRIVATE SECTOR ECONOMIC EFFECTS:**

The residents of the Chugiak Fire Service Area will benefit by having modern, state-of -the-art fire fighting equipment available.

Prepared by: Purchasing Department

Phone: 343-4170

**Content Information****Content ID :** 002651**Type:** Ordinance-InvolvingFunds - AO

An Ordinance Authorizing a Capital Lease/Purchase Agreement to

**Title:** Acquire an *Emergency Response Fire Apparatus* for the AFD,  
Chugiak Fire Service Area**Author:** wrightca**Initiating Dept:** Purchasing**Date Prepared:** 2/22/05 3:55 PM**Director Name:** Barton R. Mauldin**Assembly Meeting  
Date MM/DD/YY:** 3/8/05**Public Hearing Date  
MM/DD/YY:** 3/29/05M.O.A.  
2005 FEB 28 PM 1:10  
CLERKS OFFICE**Workflow History**

<u>Workflow Name</u>	<u>Action Date</u>	<u>Action</u>	<u>User</u>	<u>Security Group</u>	<u>Content ID</u>
AllFundOrdinanceWorkflow	2/22/05 3:57 PM	Checkin	wrightca	Public	002651
Purchasing_SubWorkflow	2/22/05 5:03 PM	Approve	mauldinbr	Public	002651
AllFundOrdinanceWorkflow	2/23/05 9:53 AM	Reject	pearcydl	Public	002651
AllFundOrdinanceWorkflow	2/23/05 11:13 AM	Checkin	wrightca	Public	002651
Purchasing_SubWorkflow	2/23/05 1:21 PM	Approve	mauldinbr	Public	002651
OMB_SubWorkflow	2/23/05 3:42 PM	Approve	pearcydl	Public	002651
CFO_SubWorkflow	2/24/05 6:41 PM	Approve	sinzje	Public	002651
Legal_SubWorkflow	2/25/05 9:31 AM	Approve	fehlenrl	Public	002651
MuniManager_SubWorkflow	2/28/05 11:07 AM	Approve	katkusja	Public	002651
MuniMgrCoord_SubWorkflow	2/28/05 11:41 AM	Approve	abbottmk	Public	002651