

1
2
3
4
5
6
7
8
9
0
1
2
3
4
5
6
7
8
9
0
1
2
3
4
5
6
7
8
9
0
1
2
3

City Manager/
Public Works Director

ORDINANCE 24-62(S)(A)

AN ORDINANCE OF THE CITY COUNCIL OF HOMER, ALASKA
AUTHORIZING THE CITY MANAGER TO **NEGOTIATE AND** EXECUTE
AN EQUIPMENT-LEASE PURCHASE AGREEMENT WITH
CATERPILLAR FINANCIAL SERVICES CORPORATION TO ALLOW
FOR THE LEASE PURCHASE OF A ROAD GRADER AND AMENDING
THE FY25 CAPITAL BUDGET FOR A CURRENT YEAR LEASE
PAYMENT FROM THE GENERAL FUND FLEET CAPITAL ASSET
REPAIR AND MAINTENANCE ALLOWANCE (CARMA) FUND; AND
RELATED MATTERS.

WHEREAS, The City of Homer, Alaska ("City"), Public Works Department, is responsible for road maintenance within the City; and

WHEREAS, To assist in road maintenance, the City purchased three road graders in years 2022 (E181), 2021 (E180), and 2002 (E168); and

WHEREAS, Costs of repair and maintenance of the road grader purchased in 2002 (E168) continue to escalate; Public Works has identified this road grader in need of replacement by 2026; and

WHEREAS, There is an opportunity to purchase a new CAT 160AWD road grader by means of an equipment lease purchase financing arrangement, with a term of seven (7) years during which each annual lease payment is subject to a current year appropriation by City Council; the City would own the subject road grader at the end of the lease term, subject to terms and conditions set forth in the equipment-lease purchase agreement; and

WHEREAS, The cost of the new CAT 160AWD road grader is Four Hundred Twenty-Eight Thousand Seventy-Six and no/100 Dollars (\$428,076.00); annual lease payments are estimated to be no more than Seventy-One Thousand Three Hundred Eighty and 22/100 Dollars (\$71,380.22).

NOW, THEREFORE, THE CITY OF HOMER ORDAINS:

Section 1. The Homer City Council hereby authorizes the City Manager to **negotiate** **and** execute ~~and deliver~~ an equipment lease purchase agreement with Caterpillar Financial Services Corporation for the lease purchase of a CAT 160AWD road grader subject to the following: (i) lease purchase term shall not exceed seven (7) years; (ii) annual lease payments

shall be subject to appropriation by the City Council; and (iii) annual lease payments shall not exceed Seventy-One Thousand Three Hundred Eighty and 22/100 Dollars (\$71,380.22).

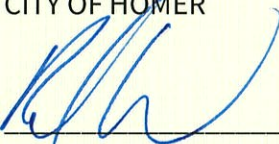
Section 2. The Homer City Council hereby amends the FY25 Capital Budget by appropriating Seventy-One Thousand Three Hundred Eighty and 22/100 Dollars (\$71,380.22) as follows:

<u>Fund</u>	<u>Description</u>	<u>Amount</u>
152-0383	Public Works Fleet CARMA	\$71,380.22

Section 3. ~~This Ordinance is of a permanent and general character, and shall be included in the City Code.~~ **This is a budget amendment ordinance, is not permanent in nature and shall not be codified.**


ENACTED BY THE CITY COUNCIL OF HOMER, ALASKA this 25th day of November, 2024.

CITY OF HOMER



RACHEL LORD, MAYOR

ATTEST:



RENEE KRAUSE, MMC, CITY CLERK

YES: 6
NO: 0
ABSTAIN: 0
ABSENT: 0

First Reading: 11/12/24
Public Hearing: 11/25/24
Second Reading: 11/26/24
Effective Date: 11/26/24

