

EXHIBIT A



**TO:** Mayor  
Members of the City Council

**FROM:** David Lakefield, Finance Director

**DATE:** May 1, 2023

**SUBJECT: APPROVE ENTERING INTO A LEASE AGREEMENT TO FINANCE ONE NEW FIRE TRUCK.**

**I. RECOMMENDED ACTION**  
**AUTHORIZE THE FINANCE DIRECTOR TO NEGOTIATE A LEASE AGREEMENT TO FINANCE THE PURCHASE OF A NEW FIRE TRUCK AND AUTHORIZE THE MAYOR AND FINANCE DIRECTOR TO SIGN THE AGREEMENT.**

**II. DEPARTMENT CONTACT PERSONS**  
David Lakefield, Finance Director 701-857-4774

**III. DESCRIPTION**

A. Background

The purchase of a new fire truck was included in the 2023 budget. At that time it was anticipated that it would be financed with a capital lease. On October 18, 2022, Council authorized the Fire Department to order the truck early to avoid a cost increase. The truck is about to be delivered and will need to be paid for. It appears that it may still be advantageous to finance the truck through a lease.

B. Proposed Project

The Finance Director will solicit quotes to lease the fire truck. If the lease terms are favorable, a lease agreement would be executed. If the lease terms are not favorable, the equipment will be funded utilizing cash reserves.

C. Consultant Selection

The vendor will be selected via quotes.

**IV. IMPACT:**

A. Strategic Impact:

This project will spread the cost of the fire truck over 5 budget cycles.

B. Service/Delivery Impact:

The replacement truck was necessary to keep the fleet up to date to ensure timely response to emergencies.

C. Fiscal Impact:

This would spread the cost of the truck (\$602,550) over 5 budget cycles

Project Costs

Annual lease payment approximately \$112,000.

Project Funding

Annual department budget

**V. CITY COUNCIL ASPIRATIONS**

Dynamic and Flourishing – this project will allow the Fire Department to keep their fleet up to date and spread the cost over a greater portion of the expected life.

Excellent and Connected – this process is in line with a fiscally well managed city.

**VI. ALTERNATIVES**

Pay for the entire truck using fund reserves.

**VII. TIME CONSTRAINTS**

ASAP. The truck is scheduled to be delivered on May 2.

**VIII. LIST OF ATTACHMENTS**

A. Invoice for the Fire Truck.