

CITY OF DILLINGHAM, ALASKA

RESOLUTION NO. 2011-70

A RESOLUTION OF THE DILLINGHAM CITY COUNCIL APPROVING FREIGHT INCREASE FOR GRADER

WHEREAS, a grader was budgeted in the Equipment Replacement Capital Project Fund Budget Items for FY2011; and

WHEREAS, Resolution No. 2010-73, adopted September 16, 2010, authorized the City Manager to enter into a capital lease for the purchase of a new grader; and

WHEREAS, the City Council approved the purchase of a new Caterpillar Model 160M Motor Grader (Grader) from NC Machinery in the amount of \$322,525.00, with a delivery date of six (6) to eight (8) months, plus the cost of freight from Seattle to Dillingham with Northland Services for an estimated quote of \$14,589.88 subject to 2011 price adjustments, total cost of \$337,114.88; and

WHEREAS, the actual freight for the transportation of the Grader on Northland Services is \$15,756.55 bringing the total cost from \$337,114.88 to 338,281.55, an increase of \$1,166.67; and

WHEREAS, the City is financing the lease/purchase of the Grader through Wells Fargo Bank;

NOW, THEREFORE, BE IT RESOLVED that this resolution approves the increase in cost from Resolution 2010-73 to the actual costs reflected on the Wells Fargo Bank Lease documents;

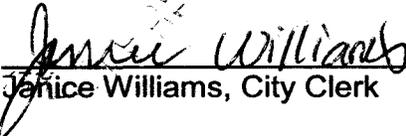
BE IT FURTHER RESOLVED that the City Council authorizes the City Manager to enter into a Municipal Lease Agreement with Wells Fargo Equipment Finance, Inc. for \$338,281.55, at 3.90% fixed interest, for a term of five (5) years, with a monthly payment of \$6,214.72, and a purchase option of \$1.00 at the end of the lease.

PASSED and ADOPTED by the Dillingham City Council on August 4, 2011.

SEAL:

ATTEST:


Alice Ruby, Mayor


Janice Williams, City Clerk