



Agenda Item:

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COUNCIL COMMUNICATION

City Manager's Office

GENERAL INFORMATION

Agenda Date: 2/9/04
Agenda Item Type: Resolution

Communication No.:04-047
Roll Call No.:

Submitted by: Merrill Stanley, Finance Director

SUBJECT—

Setting the date of public hearing (February 23, 2004) for Supplement #15 to the City's Master lease-Purchase Agreement for the purchase of five automated refuse trucks for the Solid Waste Enterprise.

SYNOPSIS—

A public hearing will be held on February 23, 2004 to consider lease-purchasing five additional automated refuse trucks for the Solid Waste Enterprise.

FISCAL IMPACT—

The estimated cost for the equipment to be leased is \$725,000, net of trade-ins, plus interest; however, there is no fiscal impact on the City's General Fund. The cost for each lease-purchase financing is determined based on an interest rate computed as a fixed percentage of the Treasury Note Index. Unlike previous supplements issued by the Solid Waste Enterprise, this supplement will carry a General Obligation pledge instead of a revenue pledge. The financial position of the Solid Waste Fund as of June 30, 2003 does not show adequate coverage to support a repayment pledge based solely on system revenues. The City's Solid Waste Enterprise Fund will, however, pay all costs associated with this financing. The debt will not count against the city's general obligation debt limit because the lease contains an annual appropriation provision.

RECOMMENDATION—

Approval

BACKGROUND—

On November 1, 1999, by Roll Call No. 99-3389 and 99-3425, the City Council approved the selection of Banc (sic) of America Leasing & Capital, LLC, as the City’s Master Lease-Purchase provider for a three-year term with two one-year renewal options. There have been 14 lease-purchase actions under this contract involving equipment purchased for the Airport, Solid Waste, and Storm water Utility. The Supplement is the document issued under the Master Lease-Purchase Agreement for each financing. The total cumulative amount for all lease-purchase supplements equals \$7,814,889.64.

Supplement 15 will be used to lease/purchase five automated refuse trucks, which will enable the Solid waste Enterprise to continue its program to automate the refuse collection system. Bids for the trucks will be received on February 19, 2004.

A history of supplements and their amounts follows:

<u>Supplement No.</u>	<u>Amount</u>	<u>Fund Source</u>
1	\$ 161,000.00	Storm water
2	359,739.00	Airport
3	499,119.00	Airport
4	331,955.00	Airport
5	806,457.00	Airport
6	354,656.00	Solid Waste
7	81,268.75	Solid Waste
8	934,722.00	Solid Waste
9	805,345.00	Airport
10	335,946.00	Solid Waste
11	393,690.00	Solid Waste
12	2,190,100.00	Solid Waste
13	509,396.00	Solid Waste
14	<u>51,495.89</u>	General Fund – Public Information
Office		
Total	\$7,814,889.64	