



Agenda Item:

55

COUNCIL COMMUNICATION City Manager's Office

GENERAL INFORMATION

Agenda Date: 3/8/04
109

Communication No.: 04-

Agenda Item Type: Resolution
No.:

Roll Call

Submitted by: Merrill Stanley, Finance Director

SUBJECT—

Approving Supplement #15 to the City's Master lease-Purchase Agreement for the purchase of five automated refuse trucks for the Solid Waste Enterprise.

SYNOPSIS—

Granting final Council approval for Supplement #15 to the Master Lease Agreement for the lease-purchase of five additional automated refuse trucks for the Solid Waste Enterprise, following the required public hearing held on February 23, 2004.

FISCAL IMPACT—

The cost for the equipment to be leased is \$672,090, net of trade-ins, plus interest. The price was determined by competitive bidding. 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.

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	