


<h1 style="margin: 0;">Council</h1> <h2 style="margin: 0;">Communication</h2> <p style="margin: 0;">Office of the City Manager</p> 	<b>Date</b>	February 20, 2006
	<b>Agenda Item No.</b>	<b>60A</b>
<b>Roll Call No.</b>	<b><u>06-</u></b>	
<b>Communication No.</b>	<b><u>06-078</u></b>	
<b>Department: Finance</b>		

**AGENDA HEADING:**

Resolution authorizing execution and delivery of Supplement B3, in the amount of \$400,000, to the Governmental Lease-Purchase Master Agreement between the City and Banc of America Leasing & Capital, LLC.

**RECOMMENDATION:**

Recommend approval to finance \$400,000 of the \$551,448 total purchase price of three refuse trucks for the Solid Waste Enterprise through the execution of Supplement B3 to the Master Lease Agreement with Banc of America Leasing and Capital, LLC, (101 South Tryon St., Charlotte, NC, Douglas H. Bowers, President).

**FISCAL IMPACT:**

Amount:        \$ 400,000.00 plus interest

Funding Source:  
 EN151 Solid Waste Enterprise Fund – PWK100101 Solid Waste Collection

**ADDITIONAL INFORMATION:**

Competitive bidding for the equipment to be leased resulted in a purchase price of \$551,448. Since the public hearing was held with a not-to-exceed amount of \$400,000, that is the maximum amount that can be financed without holding another public hearing. The difference in the amount to be financed and the purchase price will be paid from operating funds of the Solid Waste Enterprise Fund.

The equipment will be lease-purchased over a six-year term. Interest rates will be determined one week prior to closing based on Treasury Note Rates published in the Wall Street Journal and factored by percentages quoted by Banc of America in their 2004 proposal and included in the 2004 Master Lease-Purchase Agreement. The debt will not count against the City’s general obligation debt limit because the lease contains an annual appropriation provision.

This is the second lease supplement to be issued under the 2004 Master Lease Agreement (MLA) with Banc of America Leasing and Capital, LLC. Sixteen lease supplements totaling \$8,559,015.22 were approved by the City Council under an earlier lease agreement with Banc of America as a means to provide flexible,

affordable financing for City equipment. The first supplement, B1, of the 2004 MLA was approved for \$686,097.00. What would have been supplement B2 was started for the Airport, but staff chose to make the purchase with cash instead. Supplement B4 has recently been approved in the amount of \$692,978.41 for the purchase of 35 vehicles for the Police Department.

**PREVIOUS COUNCIL ACTION(S):**

Date: November 7, 2005

Roll Call Number: 05-2712

Action: Public hearing regarding supplement B3.

Date: October 24, 2005

Roll Call Number: 05-2548

Action: Set date of hearing on supplement B3.

Date: October 25, 2004

Roll Call Number: 04-2279

Action: Approved Master Lease-Purchase Agreement with Banc of America Leasing & Capital, LLC.

**BOARD/COMMISSION ACTION(S):**

Date: N/A

Roll Call Number:

Action:

**ANTICIPATED ACTIONS AND FUTURE COMMITMENTS:**

None