



**Council
Communication**
Office of the City Manager

Date

April 10, 2006

Agenda Item No. 31

Roll Call No. 06-

Communication No. 06- 179

Submitted by: Merrill Stanley, Assistant City
Manager/Finance Director

AGENDA HEADING:

Setting the date of public hearing (April 24, 2006) for Supplement B5 to the City's Master Lease-Purchase Agreement for the purchase of one four-wheel drive all terrain vehicle for the Police Department, and computer hardware and software needed to provide enhanced capabilities for the City's Tidemark system.

SYNOPSIS:

This is the first step in the process to finance the purchase of city assets for two departments. One purchase to be financed is a four-wheel drive vehicle for the Police Department. The vehicle will be used to patrol the Riverwalk area and nearby bike trails and park areas. The second purchase is the needed enhancements to Tidemark that will allow internet access to the system. These enhancements will include hardware and software and will be implemented by the Community Development Department.

FISCAL IMPACT:

Amount: Not to exceed \$195,000, plus interest.

Funding Source:

- Police Vehicle Lease Purchase – POL100100 – General Fund, Police Patrol - \$7,000 plus interest.
- Police Vehicle cash down payment – POL982200 – State Forfeited Funds – up to \$8,000.
- Tidemark enhancements – CD130100 - General Fund, Permit and Development Center - \$180,000 plus interest.

ADDITIONAL INFORMATION:

The Police Department has requested the purchase of a four wheel drive all terrain vehicle to patrol the Riverwalk area and other trails and parks in the vicinity of downtown. The rolling terrain and walking paths require a vehicle that is small, yet rugged enough to withstand the demands associated with rescue

and swift custodial apprehension. \$7,000 is available within the \$700,000 appropriated for Police vehicle acquisition in 2006. The remainder of the purchase price is available from seized funds.

As previewed for the City Council at the July 21, 2005 Council Workshop, the Community Development Department has requested enhancements to the City's Tidemark system that would provide additional services to citizens via internet access. Citizens would be able to use the internet to apply for some permits and licenses, track the progress of their permits, and request inspections. The enhancements would also allow city staff to view and edit cases online and improve real time access to Tidemark data from the office or the field.

The Police vehicle is currently out for bid and the Community Development and Information Technology Departments are working with our Tidemark vendor to establish the parameters and pricing for the enhancements. We are moving forward with the actions required for the financing so it is in place when vendor contracts are ready to be awarded.

This is the fifth lease supplement to be considered under the second Master Lease Agreement with Banc of America Leasing and Capital, LLC, 101 South Tryon St., Charlotte, NC (Douglas H. Bowers, President), awarded on October 25, 2004. Sixteen lease supplements totaling \$8,559,015.22 were approved by the City Council under the first lease agreement with Banc of America as a means to provide flexible, affordable financing for city equipment. Supplements awarded under the second agreement will total \$1,966,075.41, with the addition of Supplement B-5.

The Master Lease Agreement was established via a competitive process that selected Banc of America Leasing and Capital, LLC as the financing provider. This three-year agreement allows the city to acquire assets throughout the year with financings that vary in term from 3 to 10 years, based on the estimated useful life of the assets to be purchased. The city has the choice of pledging its general obligation, or in the case of financing enterprise fund assets, the system's revenues. The associated debt obligation includes an annual appropriation clause, so is therefore exempt from the city's legal debt limit calculation. Interest rates for each supplement are set by a predetermined index as a percentage of the U.S. Treasury Note rate based on the term of each supplement. The interest rate index is as follows:

<u>Term of Supplement</u>	<u>Treasury Note Index</u>
3 years	92% of 3 year Treasury
4 years	91% of 4 year Treasury
5 years	89% of 5 year Treasury
6-10 years	88% of 6-10 year Treasury

The assets to be financed with Supplement B5 will carry a general obligation pledge and be financed for a period of three years.

PREVIOUS COUNCIL ACTION(S):

Date: October 25, 2004

Roll Call Number: 04-2279

Action: Approving Master Lease-Purchase Agreement Form and Provider to Banc of America Leasing & Capital, LLC. Moved by Hensley to approve. Motion Carried 7-0.

BOARD/COMMISSION ACTION(S): NONE

Date:

Roll Call Number:

Action:

ANTICIPATED ACTIONS AND FUTURE COMMITMENTS:

The Public Hearing for this financing will be held April 24, 2006. The approval of purchases will be recommended to Council when bids are received and reviewed, and final pricing and terms have been determined.