



Council Communication

Office of the City Manager

Date

January 7, 2008

Agenda Item No. 39

Roll Call No. ~~08-~~

Communication No. 08-008

Submitted by: Allen McKinley, Finance
Director

AGENDA HEADING:

Approving first one-year renewal of Master Lease-Purchase Agreement with Banc of America Leasing and Capital, LLC and to authorize City Manager to approve second one-year renewal based on recommendation of the Finance Director.

SYNOPSIS:

Recommend approval of the Master Lease-Purchase Agreement for a three-year period expiring February 17, 2008. The agreement has options for two one-year renewals. This action will approve the first one-year renewal and authorize the City Manager to execute the second one-year renewal contingent upon the recommendation of the Finance Director.

FISCAL IMPACT:

Amount: Borrowing costs under the lease-purchase will be determined by the interest rate market at the time of the lease. The interest rate is a fixed percentage of the U.S. Treasury Note as reported in the Wall Street Journal five days prior to closing. Lease-purchases do not count against the city's general obligation debt limit.

Funding Source: Fiscal Year 2007-08 Operating Budget, Finance Department, Debt Service Administration, FIN900100, page 155.

ADDITIONAL INFORMATION:

The Master Lease-Purchase Agreement has been an effective tool for short-term financing of equipment and vehicles across several funds (Airport, Solid Waste, Storm, General). Under the current lease agreement, approximately \$3 million of equipment/vehicles have been acquired.

PREVIOUS COUNCIL ACTION(S):

Date: October 25, 2004

Roll Call Number: 04-2279

Action: Master Lease-Purchase Agreement Form and Provider to Banc of America Leasing & Capital, LLC. ([Council Communication No. 04-530](#)) Moved by Hensley to approve. Motion Carried 7-0.

BOARD/COMMISSION ACTION(S): NONE

ANTICIPATED ACTIONS AND FUTURE COMMITMENTS:

Specific lease-purchase transactions (supplements) as need arises.