



## Legislation Details (With Text)

**File #:** 2019-0381

**Type:** Resolution **Status:** Approved

**File created:** 8/26/2019 **In control:** City Council

**On agenda:** 9/12/2019 **Final action:** 9/12/2019

**Title:** Consider a resolution authorizing the Mayor to execute a Public Property Finance Act Contract with Banc of America Public Capital Corp, for the lease/purchase of various equipment.

**Sponsors:**

**Indexes:** General Debt Service Fund

**Code sections:**

**Attachments:** 1. Resolution, 2. Exhibit A

Date	Ver.	Action By	Action	Result
9/12/2019	1	City Council	approve	Pass

Consider a resolution authorizing the Mayor to execute a Public Property Finance Act Contract with Banc of America Public Capital Corp, for the lease/purchase of various equipment.

Each year the City acquires a portion of its heavy equipment and vehicles through a tax-exempt leasing program. The current year's total for the program is \$2,900,000 financed at an effective interest rate of 1.9220%, with a five-year amortization. The first-year repayment is included in the 2019/20 operating budget. The financing arrangement is done through a competitive bidding process, with Banc of America providing the lowest cost financing this year.

This lease includes vehicles and equipment for all General Fund departments that were acquired during the current fiscal year. The equipment was included as planned lease financing purchases in the adopted 2018/19 budget.

Tax-exempt lease purchase financing is a technique that allows the City to purchase equipment and make periodic lease payments over the useful life of the asset. Lease payments are made out of the debt portion of the property tax rate. The capital lease program provides stable, consistent annual funding for replacement of vehicles and equipment used by General Fund departments.

\$2,900,000 Principal + \$147,560.90 Interest = Total \$3,047,561

**Cost: \$3,047,561**

**Source of Funds: General Debt Service**

