

GENERAL

Ordinance Fact Sheet

Committee Substitute for 200120

Ordinance Number

Brief Title

Authorizing the Director of Finance to accept a proposal of Banc of America Public Capital Corp ("BAPCC") to finance the acquisition of vehicles for Parks and Recreation fleet; estimating and appropriating revenue; authorizing the execution of necessary agreements; and designating requisitioning authority.

Reason

To replace vehicles that are past design lifecycle.

Reason for Legislation

Authorizing the Director of Finance to accept a proposal of Banc of America Public Capital Corp. ("BAPCC") to finance the acquisition of fleet vehicles and accessories for the Parks and Recreation Department ("Project"); authorizing the execution of any and all documents and agreements necessary for the financing; designating requisitioning authorities; estimating revenue and appropriating \$5,950,745.00 in the Equipment Lease Capital Acquisition Fund; authorizing the Director of Finance to close project accounts upon completion; approving Lease Counsel; and declaring the intent of the City to reimburse itself from the lease purchase proceeds for certain expenditures.

Discussion (explain all financial aspects of the proposed legislation, including future implications, any direct/indirect costs, specific account numbers, ordinance references, and budget page numbers.)

This ordinance requests authorization to finance the Project with one upon the Master Lease Purchase Agreement between the City and Bank of America Public Capital Corporation ("BAPCC") for the purpose of acquiring City Fleet Vehicles and Equipment in an amount not to exceed \$5,950,745. The lease term is expected to not exceed more than an eight (8) year period.

The Project proposes to replace approximately 93 units in Parks and Recreation, 28 of which are for snow removal. The units targeted for replacement are the vehicles in poorest shape, incurring the most repair expense or no longer a fit to the current work.

The Project will improve the productivity and efficiency of the operating Departments and reduce their operating overheads due to incurring fewer repairs and less equipment downtime. The equipment targeted is heavily used, well past design lifecycle, mismatched to current need, or prone to breakage.

Sponsor	Tammy L. Queen, Director of Finance Earnest Rouse, Director of General Services
Programs, Departments, or Groups Affected	Finance Department, Parks and Recreation Department, Public Works Department, General Services Department/Fleet Division
Applicants / Proponents	<p>Applicant City Department Finance Department General Services Department/Fleet Division Other</p>
Opponents	<p>Groups or Individuals None Known Basis of opposition</p>
Staff Recommendation	<p><input checked="" type="checkbox"/> For <input type="checkbox"/> Against</p> <p>Reason Against</p>
Board or Commission Recommendation	<p>By</p> <p><input type="checkbox"/> For <input type="checkbox"/> Against <input type="checkbox"/> No action taken</p> <p><input type="checkbox"/> For, with revisions or conditions (see details column for conditions)</p>
Council Committee Actions	<p><input type="checkbox"/> Do pass <input type="checkbox"/> Do pass (as amended) <input type="checkbox"/> Committee Sub. <input type="checkbox"/> Without Recommendation <input type="checkbox"/> Hold</p>

(Continued on reverse side)

Details

Is it good for the children?
Yes. The equipment being replaced is comprised of older technology vehicles, many of them diesel heavy-trucks averaging 2-4 MPG. Eliminating these older units from the City's inventory and replacing them with equipment with modern emmissions systems markedly reduces the Fleet's CO, particulate, and NOx pollutant output. Additionally, the proposal will replace conventionally fueled heavy trucks with CNG units where feasible, reducing the City's carbon footprint and improving air quality.
How will this contribute to a sustainable Kansas City?
The replacement of out-of-lifecycle equipment supports the City's ongoing plan to optimize inventory, reduce operating costs and pollutants, and so improves both fiscal and environmental sustainability.
Outstanding debt information as of December 31, 2019.
General Municipal Debt Outstanding: \$1,474,889,827
Debt Service as a Percent of Governmental Funds Revenue Actual: 15.7% Target: < 14.5%
Total Debt Outstanding as a Percent of Governmental Funds Revenue Actual: 131.6% Target: < 125.0%
Debt Outstanding as a Percent of Market Value Actual: 4.4% Target: < 4.5%
Percent of Debt Retired in 10 Years: 64%

Policy/Program Impact

Policy or Program Change	<input checked="" type="checkbox"/> No <input type="checkbox"/> Yes
Operational Impact Assessment	

Finances

Cost & Revenue Projections – Including Indirect Costs	Estimated debt service, assuming a 2.909% tax-exempt interest rate over an eight (8) year lease term, is shown below. Parks and Recreation Sales Tax: Annual Debt Service: \$806,690 Total Debt Service: \$6,453,520 Street Perservation Fund (paying 27% of snow equipment) Annual Debt Service: \$28,530 Total Debt Service: \$228,240 Total Annual Debt Service: \$ 835,220 Grand Total Debt Service: \$ 6,681,760
Financial Impact	
Fund Source(s) and Appropriation Account Codes	Source of repayment for debt service is general municipal revenues.

(Use this space for further discussion, if necessary)

Applicable Dates:**Fact Sheet Prepared by:**

Name: Dan Grandcolas Date: 03/03/2020
 Title: Public Finance Manager

Reviewed by:

Name: Doug Buehler Date: 03/03/2020
 Title: City Treasurer

Reference Numbers