

COMMITTEE SUBSTITUTE FOR ORDINANCE NO. 200120

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.

WHEREAS, the City recognizes the need to invest in the City's infrastructure through an effective fleet replacement program based on the economic principles of optimal vehicle replacement; and

WHEREAS, certain vehicles are over design lifecycle and have been exhausted to the point where replacement is crucial to cost conscious and effective City operations; and

WHEREAS, as a result of this same equipment being over lifecycle, the Parks and Recreation Department experiences significant equipment downtime and loss of opportunity; and

WHEREAS, all the heavy duty vehicles scheduled to be replaced are diesel powered, and, where feasible, will be replaced with CNG powered equipment, both improving air quality and reducing the City's carbon footprint; and

WHEREAS, the cost of acquisition and implementation of the Project is expected to be financed under the Master Lease Purchase Agreement ("Lease") with BAPCC by one (1) draw upon the Lease; and

WHEREAS, the payment of scheduled debt service payments on the draw made under the Lease will be made by annual appropriation of monies from the City's General Municipal Revenues over a successive eight (8) year period; NOW, THEREFORE,

BE IT ORDAINED BY THE COUNCIL OF KANSAS CITY:

Section 1. That the Director of Finance is authorized to accept the proposal of BAPCC for the financing of the Project through one (1) draw upon the Lease in an approximate principal amount not to exceed \$5,950,745.00.

Section 2. That the Director of Finance is authorized to execute, deliver and file in the name of the City, the Lease and any and all documents and agreements necessary to complete such financing.

Section 3. That the revenue in the following account of the Equipment Lease Capital Acquisition Fund is hereby estimated in the following amount:

AL-3230-120000-583000	Lease Proceeds	\$5,950,745.00
-----------------------	----------------	----------------

ORDINANCE NO. 200120

Section 4. That the sum of \$5,956,745.00 is hereby appropriated from the Unappropriated Fund Balance of the Equipment Lease Capital Acquisition Fund to the following accounts:

AL-3230-071902-E	Parks 2020 Fleet Purchase	\$5,186,995.00
AL-3230-071904-E	Snow Removal Equipment	755,750.00
AL-3230-129620-B	Cost of Issuance	<u>8,000.00</u>
	TOTAL	\$5,950,745.00

Section 5. That the Director of General Services is hereby designated as requisitioning authority for Account Nos. AL-3230-071902 and AL-3230-071904; and the Director of Finance is hereby designated as requisitioning authority for Account No. AL-3230-129620.

Section 6. That the Director of Finance is hereby authorized to close project accounts, encumbrances and retainage related to the accounts in Section 4, and return the unspent portion to the Fund balance from which it came upon the earliest of: (i) Project's completion; (ii) final maturity of financing or (iii) five years after issuance.

Section 7. That the City approves Kutak Rock LLP to serve as Lease Counsel for the City in connection with the financing of the Project.

Section 8. That the City hereby declares its official intent to reimburse itself for certain expenditures made within sixty (60) days prior to or on and after the date of this ordinance with respect to the Project with the proceeds of the lease expected to be drawn from the Lease. The maximum principal of amount of lease proceeds for the Project expected to be financed under the Lease is \$5,950,745.00. This constitutes a declaration of official intent under Treasury Regulation Section 1.150-2.

I hereby certify that there is a balance, otherwise unencumbered, to the credit of the appropriation to which the foregoing expenditure is to be charged, and a cash balance, otherwise unencumbered, in the treasury, to the credit of the fund from which payment is to be made, each sufficient to meet the obligation hereby incurred.



Authenticated as Passed

Quinton Lucas, Mayor

Marilyn Sanders, City Clerk

MAR 05 2020

Date Passed

Tammy L. Queen
Director of Finance

Approved as to form and legality:

Katherine Chandler
Assistant City Attorney