



Legislation Text

File #: 22-2696, Version: 1

STRATEGIC PRIORITY: Government Performance & Financial Management

AGENDA DATE: December 14, 2022

COUNCIL DISTRICT(S): N/A

DEPARTMENT: Budget and Management Services

EXECUTIVE: Jack Ireland

SUBJECT

Authorize **(1)** an amendment to Resolution No. 19-1274, previously approved on August 28, 2019, that authorized a master agreement for the purchase of fleet vehicles and equipment; **(2)** an amendment to Resolution No. 19-1407, previously approved on September 11, 2019, that authorized the purchase of surveillance equipment; **(3)** an amendment to Resolution No. 19-1919, previously approved on December 11, 2019, that authorized the purchase of hand and power tools; **(4)** an amendment to Resolution No. 20-0625, previously approved on April 22, 2020, that authorized the purchase of public safety hardware and software camera systems; **(5)** an amendment to Resolution No. 20-1808, previously approved on November 11, 2020, that authorized the purchase of voice and data network services, network management, monitoring, maintenance, Information Technology security, and related services; and **(6)** providing reimbursement language to each resolution that allows reimbursement and financing the lease/purchase of the vehicles and/or equipment over a set period of time pursuant to the provisions of the Master Lease Program - Financing: No cost consideration to the City

BACKGROUND

The Master Lease Program (MLPP) is a lease finance program used by the City to finance capital equipment and technology items. The City has used this program since FY 2011-12. Lease drawdowns are used to pay invoices or provide up-front funding for projects. The City is required to make lease payments to repay the principal and interest on the lease. When the lease is fully paid, possession of the equipment or other financed project is transferred to the city. The City has drawn down lease funding in three term types depending on the useful life of the purchased equipment. Technology items such as computer hardware and software are leased over a three-year term, vehicles and heavy equipment are leased over a five-year term, and fire apparatus are leased over a 10-year term.

The financing vehicle for the MLPP is a tax-exempt Schedule-A established pursuant to Public Property Finance Act, Texas Local Government Code §271.001. Due to the tax-exempt financing of the program, specific language is required in the resolution for each item financed by the MLPP. The

resolution should list the expenditures that will be reimbursed, the authorization to execute the master lease agreement, and estimated useful life. While reviewing master lease documents, we discovered five resolutions that did not include the reimbursement language, and we are presenting this item to correct the resolutions.

PRIOR ACTION/REVIEW (COUNCIL, BOARDS, COMMISSIONS)

The Government Performance and Financial Management Committee will be briefed by memorandum regarding this matter on December 13, 2022.

FISCAL INFORMATION

No cost consideration to the City.