



Legislation Text

File #: 21-567, **Version:** 1

STRATEGIC PRIORITY: Government Performance and Financial Management

AGENDA DATE: April 14, 2021

COUNCIL DISTRICT(S): N/A

DEPARTMENT: City Controller's Office

EXECUTIVE: Elizabeth Reich

SUBJECT

Authorize a **(1)** sixteen-month extension of the Master Equipment Lease/Purchase Agreement for the financing of personal property purchases with Banc of America Public Capital Corp; and **(2)** approving other matters in connection therewith including annual legal fees therewith - Not to exceed \$30,000 - Financing: General Fund (subject to appropriations)

BACKGROUND

This will authorize a sixteen-month extension of the current Master Equipment Lease/Purchase Agreement (Master Lease). The Master Lease program, last authorized on August 26, 2015, provides financing for fleet and equipment purchases. The use of a tax-exempt master lease line of credit permits a cost-efficient use of financing as funds are borrowed to closely match the amount and timing of the payment for equipment. Interest rates are comparable to tax-exempt short-term note issuance. The annual cost of the program is less than other types of debt issuance, such as tax-exempt commercial paper. There are no fees for financial advisory, rating agency, paying agent, or liquidity facility services since the master lease is considered a private placement. The only expense associated with the program is for legal services, such as reviewing the Master Lease agreement, correspondence with government agencies regarding the Master Lease agreement, and issuing an opinion that purchases through the Master Lease program are tax-exempt obligations.

The following items are financed using the Master Lease program, including but not limited to:

- Sanitation collection and landfill vehicles
- Fire apparatus - fire engines and aerial trucks
- General purpose fleet - light, medium, and heavy-duty vehicles
- Information technology (IT) - items associated with fleet management, City equipment fuel management, computer aided dispatch, public safety, customer service/performance management applications, budget/finance enterprise applications, and replacing/upgrading the City's computers and IT infrastructure.

The current Master Lease agreement will expire on May 24, 2021. Extension of the agreement allows for the continued issuance of equipment and fleet items while a new Request for Proposals is published and executed agreement implemented.

PRIOR ACTION/REVIEW (COUNCIL, BOARDS, COMMISSIONS)

On December 14, 2011, City Council authorized a three-year master municipal lease agreement for the financing of personal property purchases by Resolution No. 11-3344.

On February 26, 2014, City Council authorized one-year extension of the Master Equipment Lease/Purchase Agreement for the financing of personal property purchases by Resolution No. 14-0371.

On August 26, 2015, City Council authorized a five-year master municipal lease agreement for the financing of personal property purchases by Resolution No. 15-1523.

On March 22, 2017, City Council authorized an amendment to the five-year master municipal lease agreement for the financing of personal property purchases by Resolution No. 17-0493.

On December 13, 2017, City Council authorized a contract (a) for the purchase and installation in the amount of \$48,416,232 (\$10,201,941 to be reimbursed by Dallas County); (b) fifteen-years of system maintenance and support of a replacement citywide radio system in the amount of \$10,499,342 (\$2,624,836 to be reimbursed by Dallas County); and (c) a five-year master agreement for radios and accessories in the amount of \$7,213,628 - Motorola Solutions, Inc., most advantageous proposer of two; and (2) an increase in appropriations in an amount not to exceed \$48,416,232 in the Municipal Lease Agreement Fund by Resolution No. 17-1912.

FISCAL INFORMATION

Fund	FY 2021	FY 2022	Future Years
General Fund	\$20,000.00	\$10,000.00	\$0.00

OWNER

Banc of America Public Capital Corp.

Christopher Giuliano, President
Brad Koster, Secretary