

**CITY OF SAN ANTONIO  
FINANCE DEPARTMENT  
CITY COUNCIL AGENDA MEMORANDUM**

**TO:** Mayor and City Council

**FROM:** Milo Nitschke, Director, Finance Department

**SUBJECT:** Amendment to the 2005 Tax-Exempt Master Lease Purchase Agreement

**DATE:** December 15, 2005

**SUMMARY AND RECOMMENDATIONS**

An Ordinance amending the 2005 Master Lease Purchase Agreement with BANC OF AMERICA LEASING & CAPITAL, LLC, to advance the \$5,000,000.00 draw date for the lease year 2006 renewal term to December 20, 2005; authorizing multiple draws in the aggregate amount of approximately \$6,060,422.00 plus approximately \$188,049.00 in available funds for the acquisition of one pumper fire truck and ten aerial fire trucks at an interest rate estimated at 3.94% for a 60 month term and to pay the costs of the transaction; authorizing the execution of documents related to the transaction; enacting other provisions incident and related to the subject and purpose of this ordinance; and providing for an immediate effective date upon passage by eight affirmative votes.

Staff recommends approval of this ordinance.

**BACKGROUND INFORMATION**

The City participates in lease purchase transactions on an annual basis. For efficiency purposes the City initiated a request for bids for a five-year Master Lease Purchase Program in the Fall of 2004. The anticipated draw amount was set at \$5,000,000.00 per year.

On January 3, 2005, the City released a Request for Bid for a Tax-Exempt Master Lease Purchase Financing Provider. On January 18, 2005, twelve (12) firms submitted bids that included (2) two alternate bids for a total of fourteen (14) bids. Three (3) bids were deemed not responsive because they did not comply with the terms of the Request for Bid. The Master Lease Purchase Agreement was awarded to the bidder whose bid produced the lowest total interest cost to the City and whose terms and conditions of the Master Lease Purchase Agreement were consistent with the City's objectives.

On February 17, 2005, Ordinance No. 100438 approved Banc of America Leasing and Capital, LLC with the low bid of 3.11%. The original agreement term began on February 24, 2005 and will end on February 23, 2006, with annual automatic renewals for (4) four additional (1) one-year renewal terms as approved by the Director of Finance. City Council authorized the Director of Finance to execute the annual renewals. The funds are to be received by the City pending final

acceptance of the equipment, and invested in the interim with interest earnings accruing to the benefit of the City. Payment for the equipment will not be made to the respective vendors until final acceptance is given in writing by the department receiving the equipment, City Finance Department and Banc of America Leasing and Capital, LLC. Ordinance No. 101078, passed on June 30, 2005, approved the acquisition of the equipment. This ordinance will provide the financing.

On February 24, 2005 the City executed the first draw of the 2005 Tax-Exempt Master Lease Purchase Agreement. The initial draw amount was \$2,606,436.85, which funded the Sirius Mainframe Computer and EGO software in the amount of \$1,447,311.12, Fire Department's Self-Contained Breathing Apparatus Components in the amount of \$1,142,125.73 and fees associated with the cost of the transaction in the amount of \$17,000.00.

On July 20, 2005 the City executed the second draw of the 2005 Tax-Exempt Master Lease Purchase Agreement. The second draw amount was \$629,396.00, which funded a platform fire truck and fees associated with the cost of the transaction in the amount of \$5,000.00.

The City will execute additional draws through the Master Lease Purchase Agreement with Banc of America in the aggregate principal amount of \$6,060,422.00. These lease purchase draws, plus \$188,049.00 in available City funds will be utilized to purchase one pumper fire truck and ten aerial fire trucks and pay transaction costs. Payments will be made upon delivery and acceptance of the trucks.

### **POLICY ANALYSIS**

The utilization of Banc of America Leasing and Capital, LLC to provide lease purchase financing for the aforementioned fire trucks is consistent with the City's capital improvement budget and the Master Lease Purchase Agreement.

### **FISCAL IMPACT**

Payments for lease purchase draws are made on a quarterly basis to Banc of America Leasing and Capital, LLC, on February 1, May 1, August 1, and November 1.

### **COORDINATION**

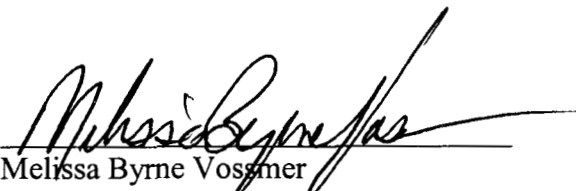
This action has been coordinated with the departments of Finance, Purchasing & General Services, Fire, Office of Management and Budget, the City Attorney's Office and the City's Bond Counsel.

**SUPPLEMENTAL COMMENTS**

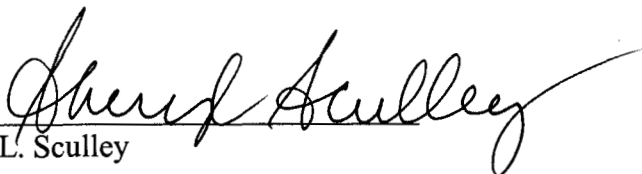
The disclosure required by the City's Ethics Ordinance for Banc of America Leasing & Capital LLC is attached.



Milo D. Nitschke  
Director, Finance Department



Melissa Byrne Vossmer  
Assistant City Manager



Sheryl L. Sculley  
City Manager

## City of San Antonio Discretionary Contracts Disclosure

For use of this form, see Section 2-59 through 2-61 of the City Code (Ethics Code)  
Attach additional sheets if space provided is not sufficient.

(1) Identify any individual or business entity<sup>1</sup> that is a party to the discretionary contract.

None

(2) Identify any individual or business entity which is a **partner, parent** or **subsidiary** business entity, of any individual or business entity identified above in Box (1):



No partner, parent or subsidiary; or

List partner, parent or subsidiary of each party to the contract and identify the corresponding party:

(3) Identify any individual or business entity that would be a **subcontractor** on the discretionary contract.



No subcontractor(s); or

List subcontractors:

(4) Identify any **lobbyist** or **public relations firm** employed by any party to the discretionary contract for purposes related to seeking the discretionary contract.



No lobbyist or public relations firm employed; or

List lobbyists or public relations firms:

<sup>1</sup> A business entity means a sole proprietorship, partnership, firm, corporation, holding company, joint-stock company, receivership, trust, unincorporated association, or any other entity recognized by law. A sole proprietor should list the name of the individual and the d/b/a, if any.

**(5) Political Contributions**

List all political contributions totaling one hundred dollars (\$100) or more within the past twenty-four (24) months made to any *current* or *former member* of City Council, any *candidate* for City Council, or to any *political action committee* that contributes to City Council elections, by any individual or business entity whose identity must be disclosed under Box (1), (2), (3) or (4) above, or by the officers, owners of any business entity listed in Box (1), (2) or (3):

☒ No contributions made; If contributions made, list below:

By Whom Made:	To Whom Made:	Amount:	Date of Contribution:

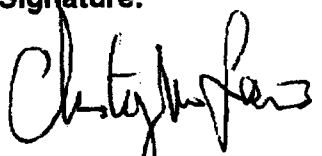
**(6) Disclosures in Proposals**

Any individual or business entity seeking a discretionary contract with the city must disclose any known facts which, reasonably understood, raise a question<sup>2</sup> as to whether any city official or employee would violate Section 2-43 of the City Code (Ethics Code), ("conflicts of interest") by participating in official action relating to the discretionary contract.

☒ Party not aware of facts which would raise a "conflicts-of-interest" issue under Section 2-43 of the City Code; or

Party aware of the following facts:

This form is required to be supplemented in the event there is any change in the information before the discretionary contract is the subject of council action, and no later than five (5) business days after any change about which information is required to be filed, whichever occurs first.

Signature: 	Title: V.P. Company or D/B/A: Bank of America Leasing	Date: 6/29/05
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Christopher Lewis

<sup>2</sup> For purposes of this rule, facts are "reasonably understood" to "raise a question" about the appropriateness of official action if a disinterested person would conclude that the facts, if true, require recusal or require careful consideration of whether or not recusal is required.